

**BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION**

Building D, Room 101
College of Southern Nevada
6375 West Charleston Boulevard, Las Vegas

Thursday, March 4, 2010, 8:00 a.m.

Friday, March 5, 2010, 8:00 a.m.

Members Present: Mr. James Dean Leavitt, Chairman
Dr. Jason Geddes, Vice Chairman
Mr. Mark Alden
Dr. Andrea Anderson
Mr. Robert Blakely
Mr. William G. Cobb
Mr. Cedric Crear
Mrs. Dorothy S. Gallagher
Mr. Ron Knecht
Mr. Kevin J. Page
Dr. Raymond D. Rawson
Dr. Jack Lund Schofield
Mr. Michael B. Wixom

Others Present: Chancellor Daniel J. Klaich
Executive Vice Chancellor & CEO, HSS, Maurizio Trevisan
Vice Chancellor, Academic & Student Affairs, Jane Nichols
Vice Chancellor, Administrative & Legal Affairs, Bart Patterson
Vice Chancellor, Finance, Mike Reed
Vice Chancellor, Health Sciences System, Marcia Turner
CEO & Special Counsel to the Board, Scott Wasserman
President Michael D. Richards, CSN
President Stephen G. Wells, DRI
President Carl Diekhans, GBC
President Fred Maryanski, NSC
President Maria C. Sheehan, TMCC
President Neal J. Smatresk, UNLV
President Milton D. Glick, UNR
President Carol A. Lucey, WNC

Also present were faculty senate chairs Mr. N. Mark Rauls, CSN; Dr. Alan Gertler, DRI; Dr. Frank Daniels, GBC; Mr. Gregory Robinson, NSC; Mr. Jim Lowe, NSHE; Dr. John Filler, UNLV; Dr. P. Elliott Parker, UNR; Mr. Scott Huber, TMCC; and Mr. Gil Martin, WNC. Student government leaders present included Mr. Nathaniel Waugh, ASCSN President, CSN; Ms. Paulette Batayola, SGA President, GBC; Ms. Amsala Alemu-Johnson, NSSA President, NSC; Mr. Adam Cronis, CSUN President, UNLV; Mr. Kyle George, GPSA President, UNLV; Mr. Eli Reilly, ASUN President, UNR; Ms. Jillian D. Murdock, GSA President, UNR; Mr. Adam Porsborg, ASTM Board Chair, TMCC; and Mr. Andy Pozun, ASWN President, WNC.

Chairman James Dean Leavitt called the meeting to order at 8:08 a.m. on Thursday, March 4, 2010, with all members present.

1. Information Only – Introductions (Agenda Item #1) – President Smatresk announced that there are two new President’s Cabinet members, Mr. Luis Valera, Director of Government Affairs and Dr. Sandra Owens, President’s Fellow. President Smatresk also announced that UNLV received a private gift in the amount of \$11.5 million for the construction of a new basketball practice facility, adding that even in these difficult times, this shows that the university has supporters. This construction project will help to create a number of jobs in southern Nevada

President Lucey introduced Ms. Christina Hillis, Student Government Advisor, and the opposing student body presidents for the next academic year, Mr. Jason McGill and Ms. Celina Borella.

Regent Crear introduced his niece, Ms. Mignon Baker, a student visiting from Pepperdine University.

2. Information Only - Institutional Student And Faculty Presentations (Agenda Item #2) - Chairman James Dean Leavitt requested that the President of the hosting institution introduce one student and one faculty member to discuss a topic of the hosting President’s choosing to highlight current programs or activities of the institution.

President Richards introduced Ms. Adriona Smith, CSN student. Ms. Smith is a former Learning and Earning Student from school year 2006-2007. She graduated with honors in high school from Canyon Springs and Area Trade Technical Center, at which she received a scholarship. She aspires to be an Information Technology Manager for a major company someday. She currently works two part-time jobs: one as a student worker in CSN’s Testing Department and the second as a temporary employee in the Learn and Earn program at CSN’s Cheyenne campus.

President Richards then introduced Mr. George Hicks, adjunct instructor at CSN. Mr. Hicks began his Air Conditioning career in New Jersey over 40 years ago. In late 1996 Mr. Hicks moved his family to Las Vegas expanding his background to include central plant management for Wynn Properties, including the Bellagio and Wynn resorts. His commitment to continuing education has been demonstrated by his completion of all industry exams, including achievement of Imperial Award for Highest Score while earning his Certificate Member Specialist for the Refrigeration Service Engineers Society. He also maintains a current NATE and ICE certification. Mr. Hicks is a Nevada Licensed Contractor in the HVAC industry and maintains his current knowledge of the business by serving as a board member of SNARSCA, and oversees CSN's scholarship MOU within that organization. Mr. Hicks has also displayed his commitment to the community by serving for many years on the Down Syndrome Organization of Southern Nevada. Mr. Hicks has taught as an adjunct instructor in the Air Conditioning Technology program since 2003 and is currently enrolled as a student working on a degree in Workforce Education.

The meeting recessed at 8:26 a.m. and reconvened at 1:20 p.m. on Thursday, March 4, 2010, with all members present except Regent Alden.

3. Information Only - Chairman's Report (Agenda Item #3) - Chairman James Dean Leavitt stated that it gave him great pleasure to discuss the results of the 26th Special Session of the Nevada State Legislature. In dealing with the budget shortfall, both parties came together in a bi-partisan effort to do as little damage to higher education as was possible. He thanked the many student leaders and presidents for their efforts during the entire process. He also thanked the Board members for their support and their patience. He publicly expressed his gratitude to Chancellor Klaich for his hard work and the resulting success. Chairman Leavitt felt that there was the beginning of a cultural shift in the state for which he could not be more pleased.

4. Information Only - Presentation on the Findings of the 2010 Sage Commission (Agenda Item #5) - Mr. Bruce R. James, Chairman of the Nevada Spending and Government Efficiency (SAGE) Commission, discussed the findings of the 2010 SAGE Commission Final Report to the Board of Regents (*Ref. BOR-5 on file in the Board office*).

Mr. James related that his experience in serving as a commissioner of the Northwest Commission on Colleges and Universities had provided a new understanding that public higher education functioned very differently from the private sector.

In 2002, Mr. James was appointed by United States President George W. Bush to the position of chief executive officer of the United States Government Printing Office in Washington, DC. That was a 200 year old state agency, with 23 unions, thousands of employees and operations covering 37 states, that at the time was losing \$110 million a year. One of the issues that he was required to deal with was the cost of personnel, adding that federal government employees receive tenure upon one year of employment and it is very difficult to dismiss them. He was challenged with getting tenured employees to let go of the past and embrace the future, which he felt was similar to the crisis facing the Nevada System of Higher Education. As the head of a federal agency, Mr. James stated that he could not spend money that was not available. The only place to cut costs was in personnel. All options were considered including layoffs, furloughs and so forth. One idea was to take the average age of the workforce into consideration, which was found to be age 57. \$25,000 was offered to each employee that would be willing to retire within 90 days. To their astonishment, 20% of the workforce applied for that voluntary retirement. Six months after that initial offer, another 10% of the workforce volunteered to retire, resulting in a total workforce reduction of 30% within just a short period of time.

Mr. James felt that without a vision of the future that everyone could see clearly, it was difficult to let go of the past. So he went about creating a clearly articulated vision that was developed over the course of a year through the involvement of many stakeholders that resulted in significant changes including the shutting down of facilities. It was discovered that even after the personnel reductions and the closing of facilities that productivity had increased by 30%.

4. Information Only - Presentation on the Findings of the 2010 Sage Commission (Agenda Item #5) – (Cont'd.)

Mr. James related that he was then contacted by Nevada Governor, Jim Gibbons, and was asked to organize and catalog all of the recommendations and suggestions that were being received by the Governor's office. Mr. James stated that after considering what had been done at the federal and state level around the country, he recommended that the Governor create a group of business people to consider ideas that may actually be helpful. It was decided early on that the creation of the commission needed to be done in a very reasonable way. Taking the population into consideration, ten senior business representatives were appointed from the south and four from the north. Over the course of many public meetings, 44 recommendations were submitted to the Governor. Forty two of those 44 recommendations were supported unanimously by the Commission. However, since the Commission's role was consulting in nature, they had no authority to implement any of the recommendations. They were surprised by the results in that when the recommendations were presented to the Legislature they were received with no interest. Mr. James felt that an entirely different attitude could be found in the Governor's office that day than there was a year ago. All 44 recommendations have now been assigned to various staff members and are being pursued in some form or another.

Mr. James related that the SAGE Commission had heard the rumors that state employees were overpaid, but after studying the data, it was found that the salaries of Nevada's state employees were on par with the private sector. However, they found that the benefits provided to state employees were twice those of the private sector. He felt that although state employees should not be underpaid, no citizen want to see state employees offered benefits that are greater than those offered in the private sector and felt that the Legislature would have to deal with that situation because of the lack of money. Mr. James stated that it had been indicated to him that there were positions at the university that were underpaid, therefore, extremely generous benefits packages were offered as compensation. He felt that, if true, that was a ridiculous and inappropriate policy, adding that the universities needed to attract and keep the best people and pay them appropriately.

Mr. James commended the System's efforts to put together a committee to review efficiency and effectiveness. The Nevada System of Higher Education is unique in that it is a high public service that is governed by lay people. The Regent's job is to make sure that the administrators in higher education are looking to the future. It is the Regents' input that helps guide the administrators on what the institutions should be teaching. However, just because something has been in existence for many years, does not mean it works. He recommended that in putting such a committee together, the business community should be actively approached and included. Mr. James stated that he understood the importance of having an educated people. However, at the end of the day, the universities and colleges are in the business of preparing people to earn a living down the road. It was important for the public sector to create opportunities for their children and grandchildren in the future. Mr. James cautioned against implementing a slash-and-spend approach. The vision for the future had to be developed in conjunction with those that employ the younger generations.

4. Information Only - Presentation on the Findings of the 2010 Sage Commission (Agenda Item #5) – (Cont'd.)

Regent Cobb asked Mr. James to elaborate on the Commission's recommendation for an agency sunset provision. Mr. James related that the Commission discovered approximately 177 agencies, boards and commissions that report to the Governor's office. They proposed a sunset date with the idea that every current and new agency will "expire" in 10 years unless the Legislature takes action to continue it. Before the Legislature can take that vote, a two-year audit will occur towards the end of that ten year period to ensure that the agency, board or commission is still doing what it was created to do and to provide an opportunity to conduct zero-based budgeting. Although this will not solve all of the problems immediately, it will resolve some of the issues going forward.

Regent Cobb expressed concern that in order for the proposed Efficiency and Effectiveness initiative to have any credibility, it needed to include members of the broader community. Mr. James related that initially he had been pretty naïve with state government and tried to apply the 80/20 rule, that 20% of the agencies would be spending 80% of the money. However, they discovered that six agencies were spending 80% of the money. He felt that the Board of Regents and the higher education system would best serve the state by having a clear picture on where the job opportunities are in Nevada's future and to ensure those programs are fully funded and highly ranked.

Regent Crear felt that the SAGE Commission's report reflected an overriding fundamental theory that cutting budgets was the better solution than growing revenues. Mr. James felt that the background information and final report reflect something slightly different than Regent Crear's opinion. He acknowledged that initially the media portrayed the Commission as a slash-and-burn committee. However, that was never the Commission's duty, nor the Governor's intent. The Governor asked the Commission to look at the issues in terms of how to grow revenue, instead of cutting. The Commission never considered the Commission's job as trying to find short term solutions, only mid- and long-term solutions, with the exception of the prison in Carson City that Mr. James felt ought to be shut down immediately. The Commission looked at ways to reduce costs of government logically, and asked where money was being left on the table and how additional revenue could be brought to the state without the need to raise taxes. Mr. James related that the Commission spoke with the Controller General of the United States and discovered that Nevada was applying for fewer federal grants than any other state in the country. Upon further investigation, it was discovered that was not only a state problem, but also one at the county and municipality levels. As a result, the Commission recommended that the state invest in a grants office to supports all agencies at all levels within the state.

Chairman Leavitt felt that the grants office concept had been one of the most entrepreneurial ideas he had seen. Chairman Leavitt thanked Mr. James for his time and efforts on behalf of the state.

4. Information Only - Presentation on the Findings of the 2010 Sage Commission (Agenda Item #5) – (Cont'd.)

Regent Wixom also thanked Mr. James for his efforts and asked, based on his experience in higher education, if he knew of any other state that has approached an Efficiency and Effectiveness initiative as the NSHE plans to do. Mr. James replied that he had never been on a board or in a situation where there simply was no money. There had to be a contraction of expenses. He stated that the population growth in Nevada over the last 50 years created a curve and all spending was developed to follow that curve. However, Nevada's population is actually declining and the state may not experience growth again for many years. He felt it was important for all to recognize the current situation.

Mr. James expressed frustration with the statements made by those associated with higher education that have lamented that the current budget crisis will result in the "dismantling" of the System. Mr. James expressed intense support that this was a time for the state to look at what has built up over time and to take affirmative action where needed. The institutional presidents know what the issues are and if the Board would support them with a well represented group of business people to clearly define what will be needed in the future, those presidents could make it happen with the help of a strong faculty.

Regent Crear asked Mr. James to confirm that he was in support of potential institution and program closures that will result in unemployment. He felt that if that was indicative of the leadership of the SAGE Commission, then the Commission had not been worth much. Mr. James replied that he was not disparaging what was being done within the System. However, there is seldom an opportunity to rethink current systems and to recreate a new vision and future. The professors and faculty clearly have a large role in what is to happen.

Regent Schofield thanked Mr. James for prompting the Board to think outside of the box and to think forward. He related that several years ago it became evident that Nevada could become a world leader of renewable energy but it was not taking advantage of its abundance of environmental resources. He asked Mr. James if the development of jobs within the renewable energy industry had been considered in the Commission's findings. Mr. James replied that the Commission did not directly take renewable energy into consideration. However, he felt Regent Schofield's comments were on the mark.

Regent Schofield added that currently southern Nevada is experiencing a water shortage. He felt that the only possible solution for unlimited water resources in the future was the development of desalinization. He felt development of those types of industries would provide jobs for Nevadans in the future.

In his opinion, Mr. James stated that the most important duty of the Board of Regents was to direct and guide the institutions of higher education into the future. He indicated that it would be enormously helpful to the current and future regents to have a clear understanding of the situation and their roles.

5. Approved - Consent Agenda (Agenda Item #6) - The Board approved the Consent Agenda with the exception of item (6) (*Tenure*), which was considered and approved separately (*Consent Agenda on file in the Board office*):
- (1) Approved – Minutes (Consent Agenda Item (1)) - The Board approved the minutes from the following meetings:
- December 3-4, 2009, regular Board of Regents’ meeting (*Ref. C-1a on file in the Board office*).
 - December 4, 2009, annual Foundation Reports:
 - ✓ CSN (*Ref. C-1b on file in the Board office*).
 - ✓ DRI Research (*Ref. C-1c on file in the Board office*).
 - ✓ DRI Research Parks, LTD. (*Ref. C-1d on file in the Board office*).
 - ✓ GBC (*Ref. C-1e on file in the Board office*).
 - ✓ NSC (*Ref. C-1f on file in the Board office*).
 - ✓ TMCC (*Ref. C-1g on file in the Board office*).
 - ✓ WNC (*Ref. C-1h on file in the Board office*).
 - ✓ UNLV (*Ref. C-1i on file in the Board office*).
 - ✓ UNR (*Ref. C-1j on file in the Board office*).
 - ✓ HSS of NSHE (*Ref. C-1k on file in the Board office*).
 - December 23, 2009, special Board of Regents’ meeting (*Ref. C-1l on file in the Board office*).
- (2) Approved - Capital Improvement Funds, Instructional Center / City of Las Vegas Fire Station, CSN (Consent Agenda Item (2)) – The Board of Regents approved the request of CSN President Michael D. Richards for the expenditure of Capital Improvement Fee funds for furniture, fixtures and equipment (*FF&E*) in the amount of \$234,381 for the College of Southern Nevada’s Instruction Center portion of the building as detailed in the provided reference material (*Ref. C-2 on file in the Board office*).

Regent Knecht asked why the request had not been included in the capital budget. Ms. Patty Charlton, Senior Vice President of Finance and Facilities, CSN, replied that consent agenda items (2) (*Capital Improvement Funds, Instruction Center / City of Las Vegas Fire Station, CSN*) and (3) (*Capital Improvement Funds, Engelstad Cardiorespiratory Addition, CSN*) were funded through private or external sources.

Regent Knecht requested confirmation that projects funded by private or external sources could request *FF&E* separately from the capital budget request. Chancellor Klaich indicated that was correct and as Ms. Charlton indicated, the distinguishing factor for these requests were that both projects were not state funded.

- (3) Approved - Capital Improvement Funds, Engelstad Cardiorespiratory Addition, CSN (Consent Agenda Item (3)) – The Board of Regents approved the request of CSN President Michael D. Richards for the expenditure of Capital Improvement Fee funds for furniture, fixtures and equipment (*FF&E*) in the amount of \$454,544 for the College of Southern Nevada’s Englestad Cardiorespiratory second floor addition as detailed in the provided reference material (*Ref. C-3 on file in the Board office*).

5. Approved - Consent Agenda (Agenda Item #6) – (Cont’d.)
- (4) Approved - Handbook and Procedures & Guidelines Manual Revision, Refund Policies (Consent Agenda Item (4)) – The Board of Regents approved Vice Chancellor Jane Nichols request for revisions to Board policy concerning institutional refund policies (*Title 4, Chapter 17, Section 16*). This proposal was not substantive in that it revises the current policy by placing the institutional specific provisions into the *NSHE Procedures and Guidelines Manual (Chapter 7, new Section 17)*, and provides for a broad system policy for refund exceptions that will remain in the Board *Handbook (Ref. C-4 on file in the Board office)*.
- (5) Approved - Allocation of Grants-In-Aid, 2010-2011 (Consent Agenda (5)) – The Board of Regents’ approved the allocation of Grants-in-Aid for academic years 2010-2011. *Nevada Revised Statutes 396.540(3)* provides for tuition waivers for students from other states and foreign countries based on 3% of each institution’s fall headcount enrollment. Board policy provides an equal number of grants-in-aid for Nevada students and requires that the total number of grants-in-aid allocated to each NSHE institution be approved annually by the Board. The recommended allocations are for academic year 2010-2011 and represent the total number each institution could award. In all cases, funding was not sufficient to support the maximum allowable number of grants-in-aid:

	<u>IN-STATE</u>	<u>OUT-OF-STATE</u>
UNR	502	502
UNLV	845	845
NSC	76	76
CSN	1,307	1,307
GBC	109	109
TMCC	407	407
WNC	172	172

Regent Gallagher moved approval of the Consent Agenda with the exception of item (6) (*Tenure*), which was considered separately. Regent Geddes seconded. Motion carried. Regent Alden was absent.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:

- (6) Approved - Tenure (Consent Agenda Item (6)) - The Board of Regents approved the tenure appointments recommended by the presidents of the NSHE institutions for the following faculty members. Each applicant has met the standards for tenure in the NSHE *Code* and has been positively recommended by his or her institution following a peer review process.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:

(6). Approved - Tenure (Consent Agenda Item (6)) – (Cont'd.)

CSN – (Ref. C-6a on file in the Board office)

Ms. Lisa Cohen

Ms. Shirley Cruzada

Dr. Darin Dockstader

Mr. Billy J. Duke

Ms. Linda Streb Gannon

Ms. Susan Ann Gordon

Ms. Won Ha

Dr. Deborah V. Harbour

Mr. David Hardy

Ms. Elizabeth Dian Henkel

Mr. David Hervey

Dr. Joel A. Johnson

Ms. Shelley L. Kelly

Ms. Barbara Kraus

Dr. Karen Laing Urbina

Mr. Brian Lerner

Dr. Patrick W. Lindemann

Dr. David Andrew Lott

Ms. Jodie D. Mandel

Ms. Annie Mathew

Dr. Charles P. Milne

Ms. Jo Ann Pelaez-Fisher

Mr. Terry L. Pippin

Mr. Patrick Quinn

Dr. William G. Roby

Dr. Stephanie Rollins

Ms. Kala Sathappan

Mr. Adam Valentiner

Dr. Lee Vogel

GBC – (Ref. C-6b on file in the Board office)

Dr. David Freistroffer

Dr. Danny Gonzales

Ms. Tracy Shane

Mr. Eric Walsh

NSC – (Ref. C-6c on file in the Board office)

Dr. Peter LaChapelle

TMCC – (Ref. C-6d on file in the Board office)

Ms. Jody Covert

Ms. Kristen DeMay

Mr. Gregory Ellis

Ms. Paula Farrenkopf

Dr. Joseph Gonzalez

Mr. Michael Holmes

Dr. Katrina Mann

Ms. Natalie Russell

Mr. Steve Schenk

Mr. Henry Sosnowski

Mr. Lindsay Wilson

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:

(6). Approved - Tenure (Consent Agenda Item (6)) – (Cont'd.)

UNLV – (Ref. C-6e on file in the Board office)

Dr. Patricia T. Alpert
Dr. Chulsung Bae
Dr. Mary D. Bondmass
Dr. Donovan S. Conley
Dr. Honghui Deng
Dr. Stephen T. Fife
Dr. Peter B. Gray
Mr. Jorge Grossman
Dr. Katherine Hertlein
Dr. Wendy Hoskins
Dr. Ganqing Jiang
Dr. Ju-Yeon Jo
Dr. Yoohwan Kim
Dr. Clark S. Kincaid
Dr. Karl Kingsley

Dr. Cari L. Klecka
Dr. Michele T. Kuenzi
Ms. Sidney Watson Lowe
Dr. MaryKay Orgill
Dr. Jan Pedersen
Dr. Carola Raab
Dr. Jennifer Rennels
Dr. Ebrahim Saberinia
Dr. Jay Shen
Dr. William Sousa
Dr. Anne H. Stevens
Ms. Marina Sturm
Dr. Hualiang Teng
Dr. Hongtao Yang
Dr. Mei Yang

UNR – (Ref. C-6f on file in the Board office)

Dr. Jonathan Baker
Dr. Emmanuel Barthe
Dr. Ann Bingham
Ms. Rebekah J. Bogard
Dr. Sudeep Chandra
Dr. Kynda Curtis
Dr. Valentin Deaconu
Ms. Stacy Emm
Mr. Peter Epstein
Dr. Louis Forline
Dr. Luis Gomez-Raya
Dr. Andrew Heglund

Dr. Gwen A. Hullman
Dr. Thomas Kidd
Dr. Mary Peacock
Dr. Gokhan Pekcan
Dr. Daniel E. Perez
Dr. Jason Shearer
Dr. Brett Simmons
Dr. Mehmet Tosun
Dr. Charles Tshimanga-Kashama
Dr. Stephen J. Underwood
Dr. Maria Valencik

WNC – (Ref. C-6g on file in the Board office)

Mr. Joshua Fleming
Ms. Cindy Frank

Mr. Scott Morrison
Ms. Susan Priest

Regent Crear stated that his questions were in no way a reflection of the individuals being recommended and he hoped that his statements did not taint the faculty's joy in receiving tenure as he knew it was an arduous task. He asked if a summary of representation of minority groups was available.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:(6). Approved - Tenure (Consent Agenda Item (6)) – (Cont'd.)

Vice Chancellor Patterson cautioned the Board that from a legal standpoint, it would not be appropriate to disclose or make a decision based on the race of an individual or to make a decision based on the representation of minority groups as a whole. On a system-wide basis, the following breakdown was reported:

- 5% - Hispanic/Latino
- 1% - Indian/Alaskan Native
- 18% - Asian
- 4% - Black or African American
- 0% - Hawaiian or Pacific Islander
- 73% - White or Caucasian
- 1% - indicated two or more races

Vice Chancellor Patterson stated that it was also important to consider what the benchmarks were against local population statistics, national statistics, local student populations, Ph.D. graduates in a geographic region, nationally or so forth.

Regent Crear moved approval of item (6) (*Tenure*).
Regent Wixom seconded. Motion carried. Regent Alden was absent.

6. Approved - Emeritus Status, Former Chancellor, NSHE (Agenda Item #12) – The Board of Regents approved the request of Chairman James Dean Leavitt to grant Mr. James E. Rogers emeritus status. Pursuant to Board Policy (*Title 4, Chapter 3, Section 29*), chancellors that choose to retire after at least five years of service are eligible for emeritus status. Emeritus status for chancellors must be recommended by the Chairman of the Board of Regents and approved by the Board (*Ref. BOR-12 on file in the Board office*).

Regent Page moved approval of granting Mr. James E. Rogers the status of Chancellor-Emeritus. Regent Crear seconded. Motion carried. Regent Alden was absent.

Mr. Rogers expressed a great deal of concern for the events currently shaping the state and the System, adding that the state was slowly giving away its future. The higher education system was literally experiencing a death by a thousand cuts. The Board could not keep surrendering, adding that it was not possible to simply save and cut to a greater future. He indicated that he and his wife, Mrs. Beverly Rogers, would support the NSHE with the Legislature, because they really believe there is no future in Nevada without education. He hoped that the Board was not content with what has happened thus far.

The meeting recessed at 2:28 p.m. and reconvened at 2:40 p.m. on Thursday, March 4, 2010, with all members present except for Regent Alden.

6. Approved - Emeritus Status, Former Chancellor, NSHE (Agenda Item #12) – (Cont'd.)

He related that although he would not support an income tax, he would support a profits tax. When it is said “there is no money,” that statement is correct under the state’s present structure. However, he does not believe that there is not sufficient money among those that have done well financially. He did not want the Board to be misled, there is money, but it had to be pursued.

7. Information Only - Public Comment (Agenda Item #7) – (Cont'd.)

Dr. James Richardson addressed the Board in regard to comments made by Mr. James during the SAGE Commission presentation regarding extraordinarily high benefits being provided to supplement low salaries. Mr. Richardson indicated that he had made several points to the Commission, including a note of caution on the Commission’s heavy dependence upon information provided by the Las Vegas Chamber of Commerce, from which comparisons were being made. That comparison let the Commission to lump the NSHE in with other employers, which skewed the information. He had also related to the Commission that benefits for community college and university faculty in Nevada are approximately 25% below the benefits of faculty in other states. The retirement benefits are respectable with the caveat that in Nevada, the faculty does not receive social security when they retire. He stressed that he never intimated that the community college and university faculty received extraordinarily high benefits, only respectable benefits. He noted that the two votes in which Mr. James was not able to secure the Commission’s unanimous vote included a recommendation to take all health care subsidies away from all retirees in the state of Nevada. He took umbrage with that recommendation and so did several members of the Commission, from both parties. In the end, that recommendation did pass, but not unanimously. The fact that the Commission overreached in going after the benefits of retirees and long-term state employees actually undercut the effectiveness and credibility of the Commission’s recommendation. Many of the Commission’s good recommendations were ignored because of two very bad ones.

Mr. Nathaniel Waugh, ASCSN President, CSN, related that this would be his last official regular Board meeting as a student government leader. He thanked CSN President Richards and members of the Board of Regents for a very rewarding experience.

Mr. Eli Reilly, ASUN President, UNR, stated that he would be graduating in May and this also would be his last meeting. He expressed his thanks to the Board for the unbelievable privilege that it had been to work with the Board and the many other individuals around the System. He was very proud to be graduating from UNR with a degree in May and will be continuing on to graduate school.

8. Information Only - Chancellor’s Report (Agenda Item #4) - Chancellor Daniel J. Klaich combined his report to the Board with agenda item #8 regarding the status of the NSHE budget, budget reductions, and the impact of reduced funding, including a report of the resulting impact of the special legislative session.

9. Information Only - FY 2009-11 Budget Reduction (Agenda Item #8) - The Board heard a report from the Chancellor and institutional presidents concerning potential impacts and alternatives to address the budget reductions requested by Governor Jim Gibbons and related actions taken by the Special Session of the Nevada Legislature.

Chancellor Klaich related that after the Economic Forum projections were released, the Board of Regents' held a special meeting on February 2, 2009, to consider the staggering effect the projection would have on the System and its institutions.

Chancellor Klaich felt that after the 26th Special Session of the Legislature, there were no clear winners. He thanked the members of the Senate, Assembly and the Governor for working with and listening to the interests of higher education. He felt the best possible decisions had been made to hold the budget reductions to a minimum given the situation. He emphasized that although he was not feeling good about the decisions that were made by the Legislature or about the decisions that the System and institutions were still faced with, he was thankful that the cuts were limited to 6.9%.

Chancellor Klaich provided the following chronological report in terms of what had occurred between the release of the Economic Forum projections on January 22, 2010, and when the Special Session of the Legislature adjourned on February 28, 2010.

The Governor had originally recommended 10% budget reductions, to become effective March 1, 2010, that amounted to approximately \$66 million (*\$16 million in FY 2009-10 and \$50 million in FY 2010-11*). In the final bill passed by the legislature, that reduction was reduced to 6.9% (*approximately \$11 million in FY 2009-10 and \$34 million in FY 2010-11*). In the original discussions from the Governor's office, there were recommendations for increasing the monthly furlough hours from 8 to 10, as well as a salary reduction at the Nevada System of Higher Education of 1.75%.

Chancellor Klaich stated that there had been an incredible team effort that included students, faculty, staff and Regents. He particularly thanked Mr. Mark Stevens, Assistant Vice Chancellor of Finance. The System staff had worked tirelessly to determine the basis for the Governor's recommendation of a System-specific salary reduction of 1.75%. From those calculations, it was determined that the reduction should have been recommended for 1.15%, a difference of \$3.4 million. Although the Legislature did not approve further salary reductions, the concept carried through and resulted in some decisions that will be problematical for the System. Chancellor Klaich indicated that he would elaborate on those issues later in his report.

Chancellor Klaich reported that there had been a transfer of stimulus (*ARRA*) funds. He explained that the biennial budget for FY 09-11, had been built with stimulus funds in each year of the biennium. All of those funds were moved into the current year. He felt that was a cause for significant concern because when the stimulus funding goes away, there is an additional \$92.4 million deficit for each year of the biennium.

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Chancellor Klaich related that various accounts had been swept including unspent dollars from a few capital projects within the NSHE. Of most concern to this Board and the students, were the funds swept from the Millennium Scholarship fund. Vice Chancellor Nichols and her staff will work with State Treasurer Kate Marshall to monitor and ensure the continued viability of that program.

Chancellor Klaich stated that the 2005 Letter of Intent has changed such that the allocation of the first tier or 5%, roughly an inflationary charge, is allocated in the same fashion as before between the state supported operating budget and the campuses. However, fee increases in excess of that will remain 100% with the campuses. Chancellor Klaich stated that was a very exciting change to report.

Chancellor Klaich reported that when the furlough bill was first introduced, it was as a cost savings measure with two elements. One was to increase the impact of furloughs on state employees from 8 hours to 10 hours. The second was to change the work schedule for most state employees from five 8-hour work days to four 10-hour workdays in order to realize a utilities savings of one day per week. As reported earlier, the salary reduction portion eventually fell out of the bill. The net result was that the System was given the right to implement “rolling furloughs,” which will allow the System to keep its offices open five days per week, with staff working an alternating four 10-hour work day schedule. Chancellor Klaich emphasized that this will not save the System money, and may in fact prove to be more costly. The good news is that the Board was given the authority to grant exceptions. There was significant consternation among the institutional presidents on how to implement the rolling furloughs. However, Chancellor Klaich stated that the rolling furlough was now law, and the System will follow the law. He would not come to the Board to request a blanket exemption.

In the context of good news from the Special Session, Chancellor Klaich repeated that there were no salary reductions. This allowed the discussion of possible financial exigency to be tabled until a later time. Chancellor Klaich felt it was highly unlikely that he would recommend such a declaration as viable.

Chancellor Klaich reported that the System’s request for the authority to transfer appropriations between budget accounts did not pass. The concept of carryover was also brought to the Legislature but also did not see any momentum.

Chancellor Klaich stated that there was a challenge facing the state in the next regular session of the Legislature in the form of an \$800 million budget shortfall. There were many techniques involved in closing that gap that will not produce true savings and he anticipated that the System would be affected by that gap in the coming year.

Chancellor Klaich reminded the Board that the special meeting held in February was the best meeting on the budget that the System will have. The institutions and the System have to make real cuts, each has a constituency, and each has a story to tell. The System will be asked to reduce budgets through unpleasant actions. Those actions will be presented to the Board at a special meeting to occur in mid-April. Since the Legislature

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closed its special session three days past, neither he nor the presidents were prepared to present their plans to the Board, although those plans have been developing since the first of the year. Chancellor Klaich stated that the first challenge in the process had been to encourage the Legislature to make the reductions as small as possible and he felt the System had been successful in doing that.

Chancellor Klaich stated that the second challenge was to encourage the System to look inward and bring forward a list of items that could be eliminated off the top that would lessen the impact to classrooms and faculty. He stated that he could not, in good faith, stand before the Board and not share that list with the Regents. The process would begin with the consideration of reducing or closing the University of Nevada Press and/or the Nevada Industry of Excellence (*formerly known as MAP*). There was the possibility of ending grant-in-aid supplements as well as all discounted fee and tuition items. The campuses will be asked to work with the Chancellor to form a consolidation of business centers in the state including BCN, BCS and others departments at the campuses. He felt that there was also the need to consider some of the Human Resource functions throughout the System, specifically in terms of classified staff, as well as consolidation of purchasing programs, certain library services and possibly of police and security services.

Chancellor Klaich related that Vice Chancellor Render has undertaken a strategic planning process where all services rendered by System Computing Services to the campuses are being costed out and prioritized. That study will be complete in May and will allow the opportunity to look at what is done, at what cost, whether it is important and if there is an opportunity to evaluate those services. Chancellor Klaich stated that he has authorized a scoping project to be conducted for the future models of the iNtegrate project (*accounting and HR*), so that he can understand the costs of moving forward.

In addition, Chancellor Klaich stated that he will work with the presidents to examine every lease throughout the System to determine if there may be any savings.

Chancellor Klaich stated that he and the presidents also had an obligation to look at academic programs and determine where duplications occur that the System can no longer afford. He felt he needed to work with the presidents to evaluate the mission of every institution to examine its operations and justifications for all that it does.

Chancellor Klaich felt all those considerations needed to be coupled with a vigorous Efficiency and Effectiveness initiative, and emphasized that this discussion was intended to engage the Board and gain its input and opinions.

Chairman Leavitt asked each of the presidents to relate to the Board what is currently being done on each of the campuses and what is being planned for presentation to the Board at the April meeting.

President Smatresk related that since 2007, UNLV has lost over 24% of its budget (*approximately \$43 million*). The current reductions will increase that loss to approximately

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30% and will include the loss of 360 staff and faculty positions. To date, those cuts have been taken in a horizontal fashion such as not filling open positions, by offering voluntary separations and a variety of other cost saving measures. He related that UNLV's management to staff ratio was currently 40 to 1, compared to Arizona State University's ratio of 13 to 1. When considering total administrative costs, UNLV's was approaching 4%, whereas a typical state university functioned at approximately 12%. Out of the additional \$9 million in reductions that will need to be made from the main campus (including the law and dental schools), \$5 million will be taken from administrative support functions. To put that into context, President Smatresk related that approximately 25% of UNLV's budget went towards administrative support areas and 75% toward academics. However, extracting \$5 million more from administrative functions will begin to interrupt some critical student services that in some cases will be discontinued entirely. For the remaining \$4 million, UNLV will begin to implement vertical cuts, including the loss of entire departments. A list of the 20 most expensive programs, based on cost-per-student-produced, has been circulated including standard programs such as engineering, physics, geology, journalism, theatre, nursing, physical therapy, clinical lab science, family and marriage counseling and so forth. President Smatresk stated those are the types of programs that can be found anywhere and from which students can be gainfully employed and predicted that this will be a painful and bitter exercise. President Smatresk indicated that he no longer believed that in a one-cut cycle and felt that there was the possibility of another special session or a worse regular session of the Legislature for the next biennium. He also pointed out that from that list of possible program eliminations, three or four are highly ranked on the national level.

President Glick related that much of what President Smatresk had reported also applied to UNR. However, UNR combined both horizontal and vertical cuts in the first 15% reduction. Like UNLV, there is only so much that UNR can further cut from administrative support services such as groundskeepers, custodians and other non-faculty before the faculty are impacted. He also felt that the long term situation will require vertical reductions. UNR released a list of academic programs that may be reduced or eliminated, as well as a list of potential administrative reductions. President Glick related that the leadership of UNR's Faculty Senate has agreed to implement the Board's process of curricular review. That process began with Provost Marc Johnson meeting with the deans and then announcing a set of potential academic program eliminations. President Glick emphasized that program eliminations meant people eliminations. UNR's process will include the opportunity for every affected department and student to respond. Then every college will have an opportunity to respond, followed by a review from the Faculty Senate. The commitment is to have this process complete by May 15. That allows for an announcement to be made before summer and to bring those recommendations to the Board in June. Letters have also been sent to every effected student to communicate that the university will work with each of them to ensure that the appropriate degree will be achieved. President Glick related that elimination of long term employees and tenured faculty creates a cash flow issue as the savings is not immediately realized. He also emphasized that the programs listed for consideration of elimination were not bad or unimportant. They are the programs that have the fewest students and that will do the least damage to the long-term future of the

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university. At the recommendation of the faculty leaders, Provost Johnson will be taking the lead on making the final proposals to the President's office. President Glick took the opportunity to share with the Regents the responsibility that Provost Johnson has taken to communicate directly and face-to-face with the faculty that will be affected. President Glick thanked the Board for their understanding and advice as the situation develops, adding that although the university will be narrower in the end, steps must be taken to ensure the quality of every available degree.

President Wells related that DRI's key goal was to maintain its mission, including its research functions, and to keeping people employed. DRI has a relatively small set of resources from which money is received from the state. He expressed his appreciation of DRI's Faculty Senate for their confidence and collaboration throughout this process. There has been the development of various strategic scenarios that cover all levels of reduction between 3% and 23%. President Wells emphasized that the current situation is creating a slow strangulation of the research institute by reducing the resources to innovate and keep people thinking. The institution is now faced with having to take action that erodes into its research mission. Diligent efforts were being made to keep people employed. President Wells stated that when there is an erosion of the mission of the universities that also has an impact on DRI as it hinders its ability to recruit high quality faculty. He added that four young researchers have moved to New Mexico just this year. There is a bridge that exists between the institutions.

President Glick questioned how the four 10-hour work week will be implemented, particularly at a research institution when a deadline for research funded through grants is at its final hour and the researchers are working around the clock, particularly when that funding may have resulted in the employment of five people.

President Maryanski related that NSC took the largest percentile hit than any other NSHE institution at 24%, on top of the double-digit reductions made in the previous year. Their overall staff has been reduced by 13%. They will look to a number of scenarios that will include the reduction of operating budgets and the loss of pending promotions. The situation makes for a very stressful environment for the faculty and staff. However, President Maryanski felt that, thus far, the quality of the education has been maintained. NSC's students have been very helpful with communicating the impacts of the budget reductions to the Legislature but they needed to return their focus to their studies. Once the process for the current reduction has been completed, President Maryanski related that he has asked NSC's Executive Budget Committee to consider a 22% budget reduction plan in preparation for further cuts in the future.

President Richards related that CSN has a very extensive collaboration and input process underway that includes the CSN's Faculty Senate Program Evaluation Committee, Strategic Planning Committee, an Organizational Structure Committee and the President's Cabinet which includes CSN's Efficiency and Effectiveness Council.

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Due to the distance between CSN's several campuses, it was critical for the institution to implement communications methods such as blogs, a special webpage, forums and regular email messages. Much of the input and recommendations from the previously stated committees and councils will be ready for the Board's special meeting in April. An additional challenge facing CSN is that it still has an equity issue. In the 2009 session of the Nevada State Legislature, this Board appropriately advanced a request for \$5 million to help stabilize the institution. President Richards hoped the Board would again consider such a request. He felt that the current economic situation would continue for the next 40 months at minimum. CSN's processes are currently focused on the next 16 months so that it can prepare for the long-term. Finally, President Richards expressed his appreciation and personal gratitude to CSN's faculty, staff and students for their input, support and patience during these difficult times

Dr. Mike McFarlane, Vice President of Academic Affairs, GBC, related that the institution is in much the same situation as the others, including the freezing of currently open positions. Information was in the process of being collected and a budget task force had been created with constituents representing all areas of campus. Dr. McFarlane related that President Diekhans has offered a voluntary buyout program, which has resulted in a long list for consideration. Programs or functions are also being considered for suspension until the crisis is resolved. Due to GBC's smaller size, many programs are supported by a single individual. If those individuals opt into the buyout program, GBC will need to determine if those programs will be continued.

President Sheehan related that TMCC's communication method includes use of open forums, web updates as well as emails. TMCC's goal is to protect its core mission of instruction. Prior to President Sheehan's arrival, the buyout and separation incentive process had begun with the voluntary retirement of 30 individuals upon her arrival. The potential development of an additional campus location in Spanish Springs had also been permanently delayed. After President Sheehan's arrival, further substantial administrative reductions were made including the merging of positions, internal promotions to fill necessary vacancies, the continuation of an imposed hiring freeze and no hiring of tenure-track faculty in the last three years. Those series of actions helped TMCC to reach the 2008-09 budget reductions. In order to meet the call for a \$750,000 reduction for the current year, TMCC will continue the hiring freeze, hiring only temporary instructional staff, administration will be further restructured, there will be further operational cuts and class sizes will be increased. For the next fiscal year, these actions will continue but with even further impact. President Sheehan estimated that these actions will impact the availability of classes for approximately 1,700 students. It is estimated that in the next year, that number will increase to approximately 2,600. Services have been eliminated at all sites except for the Dandini campus. President Sheehan thanked the faculty and staff for accomplishing an incredible amount of work on behalf of the students during this time. She added that additional faculty and staff reductions, combined with the implementation of a four 10-hour work week, will place further unmanageable stress on an already stressed institution.

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President Lucey related that in the summer of 2007, WNC enforced operating budget reductions, implemented a freeze of all but essential hires and all schedules were reviewed with resulting section eliminations. By the spring of 2009, WNC had cut 10% of its available sections. Program review was taken seriously and programs have been cancelled. What has made retrenchment possible with minimal pain to WNC's students was that it was a slow rolling situation and second, because of WNC's small size and its values stress the importance of community. It has been of primary importance to protect the students and the college. After the first reversion warning, President Lucey related that she met with the WNC staff to find strategies other than layoffs. As a result, WNC had accumulated a savings by the end of FY 2007-2008. At that time, the institution started looking for ways to roll that money from one fiscal year to the next as it was obvious the situation would worsen. President Lucey stated that in the future there needed to be some way to meet future budget reductions. Except for a senior accountant and a physicist, President Lucey indicated that other necessary hires will more than likely be on a temporary basis. Currently there are many positions that have been eliminated including 17 out of 100 classified staff, 18 out of 80 faculty and 14 out of 51 administrative positions. Even with substantially fewer sections available, WNC has a 19% increase in FTE over last year and 34% more full-time degree seekers.

Chancellor Klaich related that although possible financial exigency has been taken off the table, the process did uncover some deficiencies in the NSHE's Code. He related that Vice Chancellor Patterson has been working with the faculty to narrowly correct those deficiencies and bring those recommendations to the Board.

Chancellor Klaich also related that the presidents have also been advised evaluations will be primarily based on four areas including crisis management; conservation, protection and enhancement of the quality of education at each institution; enrollment management; and teamwork, particularly in gearing up for the next legislative session.

Regent Wixom read the following into the record from a prepared statement:

We have been faced with budget cuts now for over two years. There are, generally speaking, two approaches to cutting our budget. One is what I and others have termed "horizontal cuts," or "across-the-board cuts," which are applied in a uniform way across all institutions and departments. The other approach is what has been termed "vertical cuts," "strategic cuts," or "specific program/department cuts."

While I was serving as Chair, we used the "horizontal cut" methodology. We did so in an effort to save as much as possible in the system, and hope for a better day. While that approach was certainly appropriate at the time, given the current funding crisis, I now believe that we need to use the "vertical/strategic cut" approach. I understand that approach creates much more stress and controversy. However, at this point in time, it is, in my opinion, the only rational approach for us to utilize in the Nevada System of Higher Education.

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I have several reasons for my conclusion. In stating those reasons, I will rely heavily on a book written by Peter D. Eckel, “Changing Course: Making the Hard Decisions to Eliminate Academic Programs,” published in 2003 and reprinted last year. Dr. Eckel has made extensive studies of the process used by higher education in terminating programs, and his conclusions and insights are important to us here in Nevada.

First, we have assumed in the past that our present economic challenges are temporary. They are not. Dr. Ekel, states:

“Higher education is facing large challenges on two fronts—one from new fiscal realities placed upon colleges and universities in an increasingly intense competitive environment and the other from increased public demands. ...[F]inancial times are continually changing for American public higher education, with little sign of improvement. The “economic fundamentals” have changed creating a new playing field with a different set of rules. State allocations do not keep pace with expenses, federal research dollars are unreliable, the stock market is unstable, foundation support is waning, and the tuition-paying public will no longer stand for tuition increases to make up budgetary shortfalls.

Even when economies were growing, institutions did not see proportional increases in their public allocations or returns from endowments. At the same time, higher education costs are increasing as a result of increased administrative costs, more outlays for student services and scholarships, and higher instructional expenditures for library books and journals, research equipment, computers, and other educational necessities.”

Dr. Ekel calls this phenomenon a new “postindustrial environment.” Whatever it is called, he and other observers posit that the changes are not temporary; instead, they exert intense unrelenting pressure on institutions to change in fundamental ways.

Second, this new environment will require that we do business in a much different way. Again, quoting Dr. Ekel,

“Environmental demands have shifted from asking the university to do what it does for less money to asking the university to change what it does. The contemporary question is not whether higher education can continue business-as-usual given increased environmental turmoil; rather, the question is what sort of universities will emerge from adaptation to these inexorable demands.”

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Third, as costs for higher education spiral upward, those paying public higher education's bills-taxpayers, state legislatures, and tuition-paying students and their families-are demanding more for what they pay and increasing their scrutiny and oversight. Such scrutiny requires more thought and consideration from us than a simple across the board "horizontal" approach to this problem.

Fourth, across the board—horizontal cuts, don't work in the long term. Dr. Ekel found in his research that, in most cases of cutting back institutions do in fact opt for across the-board (*horizontal*) cuts over targeted (*vertical*) cuts. However, these approaches are not concerned with intentionally changing the ways in which the organization does business. They do not require hard, evaluative decisions. Therefore, while across-the-board approaches are more frequently used, this approach is a poor choice given the realities we face. Furthermore, Dr. Ekel found that "horizontal cuts" tend to borrow against the future of the organization; weaken the organization's capacity to serve students and the communities in which they are located; and do not produce sufficient savings. He found that additional negative results of across-the-board cuts include things such as deferred maintenance, delays in equipment replacement and the haphazard deterioration of academic programs.

Without a doubt, as Dr. Ekel explains, targeted approaches, where particular units or programs face deeper reductions, or even elimination, are much more difficult for university administrators to make. They require a complex series of choices that have the potential for significant institutional repercussions. Choices have to be made among competing priorities. That is painful.

However, I am convinced by our recent experience and by these arguments that if we continue to use an across the board "horizontal" approach, we will find out the hard way, and sooner rather than later, that our belt can be tightened no more. Eventually, in any case, we will be forced to make the tough decisions. I would rather make them now and face up to the process. Otherwise we risk permanently undermining our ability to meet our core mission. In other words, we risk becoming so thin that we collapse on ourselves. In my view, that is not an option for us.

In conclusion, I also want to clearly state that as Regents we must be very, very careful. This process requires enormous work by those closest to the process, our presidents and our chancellor. If we, because of outside pressures, constantly second guess what they do, we will never get this most difficult task done. We must trust them, and then hold them accountable. Our decisions must relate to policy, not specific programs. Our role is to make policy, not defend programs. We should never relent in pressing our administration as to policy, but we cannot be successful if we undermine them.

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Regent Geddes related that each campus will be making very difficult decisions and wanted to make sure the System was as thoughtful as possible throughout the process. He asked that the campuses look carefully at the costs associated with the satellite campuses and the possible use of other investment funds to soften the impact. He also asked that the System consider the possible merging of certain staffing and/or services on the campuses, particularly at the two rural colleges where the faculty to staff ratios are low. He also asked that the campuses have flexibility to be sensitive to the students needs as they move between campuses or into other majors as a result of program eliminations. Finally, he felt that it was important to take a serious look at student fees, which would be discussed later on the agenda.

Regent Rawson noted the significant amount of service that the health sciences gives back to the state (*2 million hours that represents \$16 million*). He related that in the past, one of the System's missions had been to help solve the problems of the state while providing higher education opportunities. Regent Rawson felt that the System tended to lose track of that.

Regent Rawson asked if there was a target percentage on what the savings would be from implementation of the four 10-hour work week. Chancellor Klaich replied that for the System, implementation of that schedule would actually cost more. However, the projections indicate between \$4 million and \$5 million would be saved statewide. Regent Rawson asked that the System creatively look at alternatives because he could not see how that theory saved money as education is a real service with real product lost.

Regent Rawson asked why 25% was being considered for a carry forward program, and not 75% or more. He felt the danger of carry forward was the possible perception that an agency with carry forward will not still need funding. However, there needed to somehow be a non-restricted fund that is not rolled into the budget.

Chancellor Klaich related that the challenge of such a concept was that a carry forward account and a rainy day fund were very different concepts that impact the campuses differently. Regent Rawson felt that there may be significant ways for attracting private dollars, particularly in the area of health sciences. Every \$3 million to \$4 million saved is 10% of this budget reduction. He did not want to micromanage and extended his gratitude and condolences to the presidents. However, it was the Regents that would bear responsibility for the end result and was not willing to give in on those points.

Chairman Leavitt asked Chancellor Klaich to investigate the options that are available to the System for exemption from the four 10-hour work week.

Regent Blakely felt that, based on his experiences, a four 10-hour work week was problematic and expressed his support of Chancellor Klaich in seeking an exemption. Secondly, he asked Chancellor Klaich if the options presented at the February Board meeting were still up for discussion. Chancellor Klaich stated everything presented at that time is now moot, adding that those scenarios had been included solely for the purpose of framing the discussion.

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Regent Blakely asked if any real thought had been given to merging any of the campuses. Chancellor Klaich related that during the special session, four main points of discussion were identified including whether a program showed collaboration between programs, between institutions and between business and higher education, and if the program advanced the goals of the state. Chancellor Klaich felt those were four good principles when considering almost anything to do with higher education. Specifically in response to Regent Blakely, Chancellor Klaich stated that yes, the potential merging of programs, services or campuses were up for discussion and consideration. However, the extent of those conversations had only been at a very high level of analysis. He would not proceed further without spending more extensive time with the presidents in consideration of the details. Regent Blakely felt that Vice Chancellor Nichols would be a good resource for those discussions. Chancellor Klaich agreed, adding that Vice Chancellor Nichols was an invaluable member of his staff and one whom he relies upon greatly.

Regent Cobb felt that the diligent work done by Chairman Leavitt and Vice Chairman Geddes during the special session of the Legislature had been overlooked.

Regent Cobb noted that if the \$11 million in reductions that have been mandated by the Legislature were to be divided among the 12,000 students at UNR, each student would have to come up with an additional \$916 to keep any programs from being cut. He asked President Glick if the students have been told that they will need to come up with that amount of money. President Glick replied that although he did not feel that was a fair question to ask the students, it could be done.

Regent Cobb related that he has been inundated with emails from student and parents stating that the Board of Regents was not doing anything to save programs. He did not agree with those statements, adding that this Board was very concerned about the impacts of those cuts. However, he was very much concerned for what would happen in the next session of the legislature. He was not sure that the students were willing to absorb that kind of cut. He felt the students should be asked if they were willing to pay more.

President Glick felt that it would be more concerning if the Regents and presidents were not being inundated by the students, parents and faculty as constituents. Regent Cobb agreed, but stated that the Board of Regents does not have the power of taxation and as hard as Chairman Leavitt and Vice Chairman Geddes have worked on the System's behalf, they could not micromanage the entire System. Regent Cobb asked that a standard response be prepared so that Regents can acknowledge all correspondence.

Regent Anderson reiterated that many calls and emails are from current students that are in the middle or end of their programs. The Board needed to be particularly concerned for the students in those situations. She agreed that carryover funds should be pursued at 100%. She has been in situations where accounts have been swept, and felt it was not cost effective. In terms of the four 10-hour work week, Regent Anderson felt that schedule may be cost effective at some of the very small satellite campuses that do not have many ancillary services.

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Regent Gallagher felt that while working through this situation, the Regents should perhaps be a little more circumspect in their statements. Through the media, constituents receive only a small portion of what is presented and discussed at the meetings. She did not mind the phone calls. However, there were just not any firm answers available yet. Secondly, she related that a merger between two institutions had been discussed at one time. However, upon a detailed analysis, it was discovered that the only savings would be in the elimination of one administrative position. She cautioned that although some of these ideas may sound good, they may not come out as well when put on paper.

Regent Page concurred with Regent Gallagher. He also agreed that the Chancellor needed to seek an exemption for the four 10-hour work week as it made no sense for higher education. In terms of efficiency, he felt that the institutions needed to be much more collaborative, citing recent examples such as the hiring by UNLV of a police chief from CSN. He did not feel that was a vital position. He suggested that there may be room for more collaboration and efficiency among the police departments, perhaps in centralizing them between the north and south instead of institution by institution.

Regent Schofield suggested that the reduction be considered in terms of an equal percentage for all institutions and then have the Legislature add a 1 cent per gallon tax on gasoline to be earmarked for education.

Regent Knecht noted that Article 11, Section 4, of the Nevada Constitution requires that the System have at least a department of agriculture. He asked President Glick if he was aware of such a requirement and if UNR's proposals were in accordance with such a requirement. President Glick replied that UNR has contacted the National Land Grant Association and it has been determined that the university is well within those constraints by retaining the agricultural experiment station as well as the Cooperative Extension. In addition agricultural research will be maintained within the College of Science. He felt that substantively the university has met the land grant test. However, there may need to be some technical changes. President Glick noted that every student in the programs that will be affected will receive a registered letter requesting that the student contact the university to ensure that they receive their degree.

Chairman Leavitt felt that the first step should be consideration of vertical cuts based on performance. After that, he felt that the next question would be either an increase in tuition and fees or a decrease in pay, or a combination of those two so that the System can preserve the entire whole. He felt those answers would be needed before the questions from parents or students could be answered. He was not suggesting that Regents control those decisions, rather that the information be gathered.

Meeting recessed at 4:49 p.m. on Thursday, March 4, 2010, and reconvened at 10:20 a.m. on Friday, March 5, 2010, with all members present except for Regent Alden.

10. Information Only - Public Comment (Agenda Item #7) - Dr. John Filler, Faculty Senate Chair, UNLV, related that this would be his last Board of Regents meeting as Faculty Senate Chair, and announced that Dr. Cecelia Maldonado is the UNLV Faculty Senate Chair-Elect. He thanked the Regents for the wonderful service that the Board has shown the students and for their passion, support and advocacy of the students. He related that he would particularly miss his always pointed and thankfully humorous transactions with Chancellor Klaich. To the UNLV Student Leaders, Dr. Filler stated they were wise beyond their years. Dr. Filler expressed sincere and deep appreciation to President Smatresk for his passion and commitment to UNLV and its method of collaborative governance and for steadfastly insisting that the decisions being faced by UNLV during this difficult economic time are made only after extensive consultation with all stakeholders. He had no doubt that UNLV would emerge a better and more closely connected university.

Mr. Kyle George, Vice President GPSA, UNLV, related that in response to Regent Alden's call for the students to express their opinions on the budget reductions and resulting tuition increases, he had stepped up his actions. When the students first heard that there was going to be a budget cut for possibly 22%, a student walk out was organized. He acknowledged that the Chancellor, Chairman and President Smatresk were all present at the walk out and that Regent Crear showed up at the rally later that day. However, he felt that not all of the Regents have a relationship with the students and he asked that they increase their efforts to reach out. Regent Cobb replied that although he tries to respond to all personal emails, it was very difficult to respond to all mass-produced emails. However, he will always respond to personal phone calls. Mr. George agreed that the effectiveness of mass emails were significantly diminished in times like these, adding that it was really a personal email that made an effective cogent story. He hoped that in the future, the students could organize a more global campaign.

Regent Cobb felt that it would be very difficult for the Board to micromanage the decisions made by the campuses after the process is complete and asked the students to make their cases at the campus level. Mr. George agreed and echoed that the students did not want the Board to micromanage the presidents.

Regent Page related that he had been in Florida on business, as part of his full-time employment, at the time of the UNLV student walkout. He emphasized that just because not all of the Regents were there, did not mean they did not want to be there. Mr. George related that his comments were more global and that he understood that there was much going on behind the scenes. Regent Page indicated that there were many things going on behind the scenes, adding that the entire membership of the Board was working very hard.

Ms. Jessica Lucero, GPSA President, UNLV, thanked the Regents for their work and acknowledged that the students do not always know what is going on behind the scene. She thanked the Regents and added that it had been a pleasure to serve as UNLV's graduate student body president.

10. Information Only - Public Comment (Agenda Item #7) – (Cont'd.)

Ms. Aimee Riley, Communications Director for the CSN Capitol Club as well as a Senator for the ASCSN, expressed her appreciation to the Regents for their support of the students. She related that one of the main goals of the Capitol Club was to reach out to the students and encourage their involvement in political processes. It was important that they reach out to every institution to collaborate and present a unified front. Ms. Riley indicated that she will be contacting each Regent personally and would be sending them more information.

Ms. Amsala Alemu-Johnson, NSSA President, NSC, thanked the Regents for their hard work on behalf of the System. She related that this would also be her last meeting as student body president for NSC. She thanked her fellow student leaders and indicated that she would still be fighting alongside the students. Regent Cobb thanked Ms. Alemu-Johnson for her organization and presentation of the NSC student letters.

Regent Crear left the meeting.

11. Withdrawn - 2011-13 Biennial Budget Discussion (Agenda Item #9) – This agenda item was withdrawn.

12. Approved - Regents' Awards (Agenda Item #10) - The Board approved the 2010 Distinguished Nevadan and Regents' Scholar recipients:

A. Approved - Distinguished Nevadans (Agenda Item #10a) - Policy: Handbook, Title 4, Chapter 1, Section 14 (Ref. BOR-10a on file in the Board office):

- Mr. Sheldon & Dr. Miriam Adelson, Las Vegas
Nominated by Regent Knecht (Ref. BOR-10b on file in the Board office).
- Mr. James “Bucky” L. Buchanan, II, Posthumously
Nominated by Regent Alden (Ref. BOR-10c on file in the Board office).
- Mr. Jerry Bussell, Las Vegas
Nominated by Regent Leavitt (Ref. BOR-10d on file in the Board office).
- Mr. Monte & Mrs. Billie Fast, Carson City
Nominated by Regent Wixom (Ref. BOR-10e on file in the Board office).
- Ms. Cherie Jamason, Reno
Nominated by Regent Geddes (Ref. BOR-10f on file in the Board office).
- Mr. Lincoln “Link” Piazzo, Reno
Nominated by Regent Schofield (Ref. BOR-10g on file in the Board office).
- Mr. James E. Rogers, Las Vegas
Nominated by Regent Page (Ref. BOR-10h on file in the Board office).

Regent Geddes moved approval of the 2010 Distinguished Nevadan award recipients. Regent Page seconded. Motion carried. Regents Alden and Crear were absent.

12. Approved - Regents' Awards (Agenda Item #10) – (Cont'd.)B. Approved - Regents' Scholars (Agenda Item #10b) – Policy: Handbook, Title 4, Chapter 1, Section 15 and Procedures & Guidelines Manual, Chapter 8, Section 2(5) (Ref. BOR-10i on file in the Board office):

- Mr. Anant Tony Tsai Bios, CSN (Ref. BOR-10j on file in the Board office).
- Ms. Ashley Rose Reed, GBC (Ref. BOR-10k on file in the Board office).
- Ms. Dolores Huang, NSC (Ref. BOR-10l on file in the Board office).
- Mr. Mitchell R. O'Day, TMCC (Ref. BOR-10m on file in the Board office).
- Mr. Austin McDonald, UNLV Undergraduate (Ref. BOR-10n on file in the Board office).
- Ms. Adrianna Wechsler, UNLV Graduate (Ref. BOR-10o on file in the Board office).
- Mr. Stuart Greenfield, UNR Undergraduate (Ref. BOR-10p on file in the Board office).
- Mr. Narasimharao Kondamudi, UNR Graduate (Ref. BOR-10q on file in the Board office).
- Mr. Joshua Pierce, WNC (Ref. BOR-10r on file in the Board office).

Regent Page moved approval of the 2010 Regents' Scholar recipients. Regent Blakely seconded. Motion carried. Regents Alden and Crear were absent.

Regent Crear entered the meeting.

13. Approved - Honorary Degrees (Agenda Item #11) - The Board of Regents approved the 2010 Honorary Degree recipients (Board of Regents Handbook, Title 4, Chapter 1, Section 14, and Procedures & Guidelines Manual, Chapter 8, Section 1.2) (Ref. BOR-11a on file in the Board office):

A. Honorary Doctorate Degrees:

- Dr. Janice Davidson, UNR (Ref. BOR-11b on file in the Board office).
- Mr. Robert Davidson, UNR (Ref. BOR-11b on file in the Board office).
- Ms. Sarann Knight Preddy, UNLV (Ref. BOR-11c on file in the Board office).
- Mr. Ted Quirk, UNLV (Ref. BOR-11d on file in the Board office).
- Dr. Richard Tapia, UNR (Ref. BOR-11e on file in the Board office).

B. Honorary Baccalaureate Degrees:

- Mr. Robley E. Burns, Jr., GBC (Ref. BOR-11f on file in the Board office).
- Mr. Norm Goeringer, GBC (Ref. BOR-11g on file in the Board office).

C. Honorary Associate Degrees:

- Mr. Marc Morse, CSN (Ref. BOR-11h on file in the Board office).
- Ms. Betty J. Kopfhammer, WNC (Ref. BOR-11i on file in the Board office).
- Mr. Bryan Samudio, WNC (Ref. BOR-11j on file in the Board office).

Regent Page moved approval of the 2010 Honorary Degree recipients. Regent Knecht seconded. Motion carried. Regent Alden was absent.

14. Information Only - Regents' Efficiency and Effectiveness Initiative for the Nevada System of Higher Education (Agenda Item #13) - Vice Chairman Jason Geddes and Chancellor Daniel J. Klaich provided a report to the Board on the progress of the Efficiency and Effectiveness (*E&E*) initiative, including a summary of the recent trip to College Park, Maryland, where the Chancellor met with the staff of the University System of Maryland (*USM*) in regard to the steps the USM Board of Regents took in launching its E&E initiative.

Regent Geddes related that the Board has taken the suggestions of the Regents, presidents, faculty, students and staff in developing an approach to this initiative. As this project evolves, Chancellor Klaich will gain the consideration of outside and independent business sources. Regent Geddes related that he and the Chancellor have been meeting once a month in order to review the progress in organizing this initiative.

Chancellor Klaich, related that he had the opportunity and pleasure to meet with the Chancellor and staff of the University of Maryland System. He emphasized that this initiative was not about budget reductions, it was about changing culture to find redundancies within the System and to reinvestment those savings in the core quality of the institutions. He agreed that every point of solicitation to the broader community needed to be made, and all input had to be honored and respected. He related that the UMS System has created a culture where any idea is treated with equal respect regardless of its source. This initiative would be an academic as well as a business process and the Board should expect to see this initiative move forward quickly.

Regent Cobb asked that information regarding this initiative be available on the System's website. Chancellor Klaich felt that was a great suggestion.

Regent Cobb asked who was currently on the committee. Chancellor Klaich replied that the membership of the committee had not yet been constituted.

Regent Cobb encouraged Chancellor Klaich to involve the outside business community. He also suggested that the concept of the sunset approach recommended by the SAGE Commission may be useful. Chancellor Klaich agreed that new ways of thinking were critical to the process and that all ideas needed to be heard.

Chairman Leavitt echoed Regent Cobb's comments, adding that these types of initiatives did not hold the same level of credibility when conducted only on an internal level. He felt that there would be a continuing duty and higher standard in demonstrating that the System is making the most effective and efficient use of tax dollars.

15. Approved - Handbook Revisions, Changes to Board Policy for Required Board Approvals (Agenda Item #14) – The Board of Regents approved the request of Vice Chancellor Bart Patterson for the following changes in Board approval requirements:

- A. Approved - Handbook Revision, Transfer of Tenure Between NSHE Institutions (Agenda Item #14a) - The Board of Regents approved a Code change to Title 2, Sections 3.4.7, 4.4.7 and 7.4.7 proposing to apply the same rules to tenured faculty transferring tenure between NSHE institutions as currently apply to faculty being hired with tenure from an institution outside NSHE. This means that the president has the authority to approve the transfer with tenure, subject to consultation with the faculty and reporting obligations to the Board (*Ref. BOR-14a on file in the Board office*).
- B. Approved - Handbook Revision, Maintaining Tenure More Than Three Years after Transfer to System Office (Agenda Item #14b) - The Board of Regents approved a Code change to Title 2, Sections 3.4.8, 4.4.8 and 7.4.8 eliminating the requirement of Board approval to keep tenure more than 3 years after transfer to the System Office and instead proposes to permit the chancellor, in consultation with the president, to extend the tenure (*Ref. BOR-14b on file in the Board office*).
- C. Approved - Handbook Revision, Changes in Administrative Units (Agenda Item #14c) - The Board of Regents approved a Code change to Title 2, Chapter 1, Section 1.4.9 revising approval of Changes in Administrative Units. Current policy needed clarification as to what changes in administrative units require Board approval. The proposed change aligned this section with the requirements of Board policy for eliminating programs, degrees, units and the like as specified in Title 4, Chapter 14, Section 9 (*Ref. BOR-14c on file in the Board office*).

Regent Knecht moved approval of revisions to the Handbook Code as presented under #15(A) Title 2, Sections 3.4.7, 4.4.7 and 7.4.7; #15(B) Title 2, Sections 3.4.8, 4.4.8 and 7.4.8; and #15(C) Title 2, Chapter 1, Section 1.4.9. Regent Gallagher seconded. Motion carried. Regent Alden was absent.

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15) - Chancellor Daniel J. Klaich presented the recommendations of the Tuition and Fees Committee for tuition and fee adjustments for academic years 2011-12 and 2012-13. In addition, the Chancellor presented that Committee's proposed policy for setting tuition and fees in the future (*Title 4, Chapter 17, Section 1 & 10; Chapter 18, Section 18*). Final action on the proposed tuition and fee increases and the policy proposal will be requested at the April 2010 special meeting of the Board (*Ref. BOR-15a; Ref. BOR-15b on file in the Board office*).

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
– (Cont'd.)

- Board of Regents Process:
 - Tuition and registration fees are set two years in advance by the Board of Regents, and the recommended amounts are used to determine estimated revenues for the next biennial budget.
 - The Chancellor convenes a System-wide committee to review comparative data and to consider potential adjustments to tuition and fee levels for the following biennium.
 - The Tuition & Fees Committee makes a final recommendation to the Board for its consideration.
 - Campus hearings are held to gather student input on the committee's recommendation.

- The Policy: Challenges and Solutions:
 - The Current Policy:
 - What works about the policy?:
 - ✓ Consistent and predictable fee increases.
 - Criticisms of the policy:
 - ✓ Confusing for stakeholders to understand.
 - ✓ 2005 Letter of Intent.
 - ✓ Low-tuition philosophy no longer feasible.
 - Policy Proposal:
 - Basic principles established to guide the process for setting tuition and fees:
 - ✓ Shared Responsibility.
 - ✓ Access and Affordability.
 - ✓ Predictable Pricing.
 - Providing additional flexibility while ensuring predictability:
 - ✓ Low tuition philosophy statement removed.
 - ✓ WICHE median and three-year lag methodology eliminated.
 - ✓ Minimal increases for each year based on inflationary index – Higher Education Price Index (HEPI).
 - ✓ Strong commitment to increased financial aid.
 - Registration fees and Non-Resident tuition:
 - ✓ “No increase shall be less than the inflation index for higher education” (HEPI). Policy does not preclude the Committee from recommending increases greater than HEPI.
 - Discounted Tuitions:
 - ✓ Good Neighbor and Distance Education discounts will continue.
 - Children of Alumni tuition discount (*for out of state residents*) eliminated:
 - ✓ Currently enrolled students receiving the discount will be grandfathered in as long as they remain continuously enrolled.

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
 – (Cont’d.)

- The Policy: Challenges and Solutions: - (Cont’d.)
 - Policy Proposal: - (Cont’d.)
 - Financial Aid Target:
 - ✓ “an amount equal to at least 10 percent of the total registration fee at the community colleges (*lower division only*) and at least 15% of the total registration fee for all other institutions including upper-division at the community colleges.” These percentages must be achieved by 2022-23.

Regent Page observed that the Children of Alumni tuition discount applied only to out-of-state students and asked how many students are currently enrolled. Chancellor Klaich indicated that there were currently fewer than 200 students between the two universities, adding that those currently enrolled would be grandfathered in.

Regent Wixom asked if the differential tuition model was being considered and how the System was conducting that analysis. Chancellor Klaich replied that the Tuition and Fee Committee had recommended and endorsed differential tuition. However, the Committee also recognized that some aspects of that method would need further vetting. The Committee’s recommendation will be presented to the Council of Presidents for review before it is brought to the Board.

Regent Wixom felt that the new Letter of Intent provided an opportunity for differential tuition and requested that it be part of the calculation moving forward. Chancellor Klaich agreed that its inclusion in the Letter of Intent opened a number of doors but indicated that further consideration was being given to similarities between like institutions and programs so as not to disadvantage any one group of students.

- The Policy: Challenges and Solutions: - (Cont’d.)
 - Financial Aid - Where we stand today:
 - Percent of Registration Fee Allocated to Student Financial Aid:

	FY11	FY23 Target
Universities, undergraduate	10.1%	15%
Universities, graduate	11.3%	15%
State College	12.3%	15%
Community College, lower division	5.2%	10%
Community College, upper division	15.0%	15%

- Interim Fee Allocations:
 - Playing our Part - Until the economic condition of the state improves, the allocation of fee increases in support of the state-supported operating budget will remain consistent with the percentages established in the 2005 letter of intent provisions.

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
– (Cont'd.)

Chancellor Klaich related that the 2005 Letter of Intent set a flat allocation regardless of how high tuition is raised. In a situation with low inflation and declining appropriations, as well as increases in student fees, there is a very real possibility of those student fees going into the state supported operating budget and actually reducing the general fund appropriations to higher education. The end result would be that student dollars were substituted for general fund dollars, which did not make sense. The revised Letter of Intent opened up a number of opportunities within a new two-tier approach. In the first tier, 5% represents the level of fee increases in recent history to be allocated in the same fashion as the 2005 Letter of Intent. Above that percentage, increases are 100% retained and managed by the campuses. He emphasized that this new Letter of Intent requires a significant amount of monitoring by the Board, the Chancellor and the staff. It allows the Board to make more applicable policy decisions and provides more latitude for the presidents to address the student leaders in terms of fee increases and what services the students would be receiving in return. He felt this was a very significant step forward for the System.

Chancellor Klaich emphasized that although work remains to be done, much progress has been made.

- 2005 Letter of Intent:
 - Our Goal - To revoke the current letter of intent, which indicates that current cumulative percentages of student registration fees allocated to the state-supported operating budget must be maintained, and replace it with a new agreement. The new letter of intent will provide that registration fee increases above “normal levels” will not supplant General Fund support within the state-supported operating budget.
- A Future Letter of Intent:
 - Moving Forward - When the economic conditions of the state improve, an additional letter of intent will be sought. Specifically, when the share of state funding for higher education returns to its historic levels of 18 to 21 percent of state General Fund appropriations, the NSHE and the Legislature will enter into a new agreement (*to be negotiated at that time*) for the reasonable allocation of future fee increases.

Regent Cobb felt that the tuition in Nevada should be low as the state’s law indicates that tuition should not be charged to Nevada residents. He felt that the Board was unfairly criticized for trying to keep the tuition low when it was merely carrying out what the state Legislature has mandated. He asked if the Legislature intended to address that in the Letter of Intent or in future legislative sessions. Chancellor Klaich replied that was currently not part of the debate. The discussion with the Legislature and the Governor was based on a shared responsibility model as opposed to what may be interpreted as a building from a zero model.

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
 – (Cont'd.)

Regent Knecht thanked Regent Cobb for raising that point and asked that Vice Chancellor Bart Patterson prepare a legal opinion for the April or June Board meeting. Chancellor Klaich felt that April may be too soon, adding that it could be available for the June meeting. Regent Knecht asked that the opinion advise the Board on the effects of the statutory provision, including its limitations and the latitude and discretion it leaves to the Board. As a legal prudential matter, if the statutory provision does in fact bind the System or opens the System to litigation by artfully dealing with it, Regent Knecht felt it was important to address the Legislature and ask that it be repealed.

Chancellor Klaich stated that Vice Chancellor Patterson would be building on a lengthy history of legal interpretation on the Board’s constitutional autonomy, adding that a Supreme Court precedent existed to supports that interpretation.

Chancellor Klaich continued his presentation:

➤ **Proposed Registration Fees**

- Making the surcharge permanent . . .

Registration Fees - Community Colleges, Lower Division:

<u>2010-11</u>		<u>2011-12</u>		<u>2012-13</u>
Reg Fee	\$63.00	Reg Fee	\$69.25	\$69.25
Surcharge	\$ 6.25			
Total	\$69.25			

Registration Fees – NSC, Community Colleges, Upper Division:

<u>2010-11</u>		<u>2011-12</u>		<u>2012-13</u>
Reg Fee	\$103.25	Reg Fee	\$113.25	\$113.25
Surcharge	\$ 10.00			
Total	\$113.25			

Registration Fees – Universities, undergraduate:

<u>2010-11</u>		<u>2011-12</u>		<u>2012-13</u>
Reg Fee	\$142.75	Reg Fee	\$156.75	\$156.75
Surcharge	\$ 14.00			
Total	\$156.75			

Registration Fees – Universities, graduate:

Graduate students were not subject to the 2010-11 surcharge.

<u>2010-11</u>		<u>2011-12</u>		<u>2012-13</u>
Reg Fee	\$239.50	Reg Fee	\$239.50	\$239.50
Surcharge	\$ 0.00			
Total	\$239.50			

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
 – (Cont'd.)

Chancellor Klaich noted that an increase in registration fees was not being recommended for graduate students at this time.

- Registration Fees - These recommendations concerning registration fee adjustments are made with the understanding that there may be discussions regarding additional fee increases during the 2011 legislative session depending on the economic conditions of the state.

Chancellor Klaich stated that nothing in the process precludes future discussion for fee increases.

➤ Proposed - Non-Resident Tuition

- Full-Time* - Non-Resident Tuition - The Committee recommends increasing non-resident tuition by the 2009 national HEPI index of 2.3 percent.

	2010-11	2011-12	% Increase	2012-13	% Increase
Universities	\$13,290	\$13,595	2.3%	\$13,910	2.3%
State College	\$9,818	\$10,045	2.3%	\$10,275	2.3%
Comm. Colleges	\$6,347	\$6,495	2.3%	\$6,645	2.3%

*Full-time non-resident tuition rates are assessed to students enrolled in 7 or more credits.

- Part-Time* - Non-Resident Tuition - Historically, non-resident part-time rates equal the registration fee times 110 percent – the Committee recommends adjusting part-time rates based on this factor.

	2010-11	2011-12	2012-13
Universities, undergraduate	\$157.00	\$172.50	\$172.50
Universities, graduate	\$263.50	\$263.50	\$263.50
State College & Comm College upper	\$113.50	\$124.50	\$124.50
Community College, lower division	\$ 69.25	\$ 76.25	\$ 76.25

*Part-time non-resident tuition rates are assessed to students enrolled in 6 or fewer credits.

➤ Proposed- Discounted Tuitions

- Discounted Tuition Rates:
 - Good Neighbor Tuition:
 - ✓ Students enrolling under the Good Neighbor classification will, in addition to registration fees, pay a discounted tuition charge.
 - ✓ Community college and state college Good Neighbor tuition is calculated by multiplying the registration fees times 60%.
 - ✓ University Good Neighbor tuition is calculated by multiplying the registration fees times 110%.

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
– (Cont'd.)

- Proposed- Discounted Tuitions – (Cont'd.)
 - Children of Alumni Tuition (*Universities*):
 - ✓ Undergraduate students enrolling under the Children of Alumni classification, in addition to registration fees, pay a tuition charge equaling an amount calculated by multiplying the registration fees times 60%.
 - ✓ Discount to be eliminated – grandfather currently enrolled students receiving the discount.
 - Distance Education:
 - ✓ Non-resident students enrolled exclusively in distance education courses, in addition to registration fees, pay a tuition charge equaling the registration fees times 50%.

- Summary:
 - In response to the Board's request, the Tuition and Fee Committee developed a new policy for setting tuition and fees.
 - The Committee further recommends making the 2010-11 surcharge permanent – an effective increase to students of zero.
 - Depending on the financial condition of the state, additional fee increase may be discussed during the 2011 Session.

Regent Page asked how residency for the UNLV Singapore campus was handled. President Smatresk replied that all but UNLV students pay non-residential tuition.

Regent Geddes related that he had prepared a spreadsheet with an alternative tuition and fee recommendation. He agreed entirely with the change in policy. However, he felt the increase needed to be higher as the System was in the midst of a long term change. His suggestion was an attempt to reset that baseline and to move forward with the policy from that point. In referring to the spreadsheet, he related that the numbers on the far right (*WICHE comparisons*) were back calculated based on the tables presented to the Legislature and had been included for comparison purposes. Given that comparison, he did not feel that the System would price itself out of the market by resetting tuition and fees at a higher baseline. Chairman Leavitt noted that Regent Geddes spreadsheet was available for the general public (*on file in the Board office*).

Chancellor Klaich expressed serious concern for reducing the cuts by raising fees, adding that backfilling state dollars with student fees removes those student fee dollars forever from these budgets. Vertical cuts do not produce immediate dollars. He would be in agreement with Regent Geddes in asking the students to assist in funding the cuts but only after the cuts have been identified. He felt that utilizing student fees to soften unidentified cuts would send the signal that the cuts were not as severe or only temporary, which he did not believe to be true and was not something he would convey to the Board.

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
– (Cont'd.)

Regent Geddes agreed and emphasized that his recommendation was not intended to be a temporary surcharge, but rather as a going forward model to change the way in which the System handles tuition and fees. He added that if the Legislature had increased its appropriation to the System, he would still be proposing this change to reset the baseline.

Regent Knecht agreed that it was time to rescind the previous policy and enunciate a new policy. He related that he did have some reservations on some aspects of this policy. If presented to the Board as a policy package in the future, Regent Knecht indicated that he would not be in support of it without the element of differentiated pricing. He felt it was fundamentally wrong to propose minimal increases for each year based on the HePI index (*page 8*). He continues to believe that the appropriate approach would be to factor in not just inflation but reasonable expected productivity gains. He felt that a policy that asymmetrically embraces only monetary inflation was not sound and indicated that he would not support such a policy. He requested that any proposals include cost differentiated pricing and involve something other than programmed increases based on some inflation assumptions.

Chancellor Klaich felt that Regent Knecht's comments in regard to differential tuition models seemed to have significant consensus at the Board level. With respect to how the policy had been developed over time, Chancellor Klaich related that historically, the Board has had a natural distaste for increasing tuition and fees that resulted in long periods of time with low or no increases followed by large increases. He felt that one benefit of the existing policy was that it allowed for predictable increases so that no one group of students were taken advantage of.

Regent Knecht appreciated predictability as part of the policy. However, he felt that pricing should drive management, planning and so forth, and held issue with an index that was asymmetric or partial. He stated that he had been on record as saying that taxpayers pay 75% of the instructional burden. Although he was not saying that a 3-to-1 relationship was sacrosanct, he did feel that it was important to revisit the cost burden to the students, their families and the public. He just did not like the monetary-inflation-only rise in revenue from the student and family side.

President Glick stated that he was very supportive of the proposed changes. However, he questioned the amount of the budget targeted for financial aid, feeling that 25% of the funds that remain on campus also go to financial aid, in addition to the 25% of all tuition increases that have also been assigned to financial aid. Ms. Crystal Abba, Associate Vice Chancellor of Student and Academic Affairs, replied that the 10% indicated in the Chancellor's report was for the System's total registration fees. When considering the specific campuses, then the percentages would be significantly higher. President Glick felt that it was important to understand that the institutions have stretched to provide more financial aid.

16. Information Only - Recommended Tuition & Fees, 2011-12 and 2012-13 (Agenda Item #15)
– (Cont'd.)

Regent Geddes understood that his calls for larger increases in tuition and fees may be interpreted as callous but he emphasized that they were not. He related that he and his wife were both first generation college graduates and struggled through with jobs and scholarships. As a father, he also realizes that increased fees will impact his personal pocketbook. However, he felt the increases were a necessary sacrifice and he empathized with the students.

Regent Wixom related that at the February 2, 2010, Board meeting, he had spoken out against the use of student fees and tuition as a form of taxation because he felt that shifted the burden from the state to the students. He also felt that it was bad policy to use those funds to address other issues. Every system of higher education in the country is being faced with pressure from state legislatures and, if not recognized as a long term issue, the situation will remain unresolved. Having said that, Regent Wixom indicated that he very much supported the notion of using tuition in a manner suggested by Regent Geddes provided it was done with caution. If, as indicated in the past, Nevada serves a higher number of low income students than other states, then theoretically elasticity becomes an issue and Nevada may not have the flexibility to use tuition and fees as those other states may have. Eventually there will be a breaking point. While he does not believe it is a good idea to use such a policy for philosophical and practical reasons for a short term fix, he does believe it could be a long term solution so long as the System is sensitive to that elasticity. Finally, Regent Wixom expressed concern that the Millennium Scholarship fund had not been addressed in the proposed policy. He respectfully requested that analysis for the long term health of the Millennium Scholarship be included in the future. Chancellor Klaich cautioned the Board that as information is presented to them, that they keep in mind the fragile nature of many funding aspects.

Regent Knecht hoped that in the next three months, staff would return with a broader and more precise representation of student opinion to be gained through direct contact with the students in terms of cost differentiated pricing, cross subsidy by the high tuition or high support model, and if the students support a change in this policy to bring results. Regent Knecht also suggested that as part of the process in gathering that information, that the students are educated that tuition and fees are not a tax as they do not satisfy the two fundamental rules: 1) tuition and fees are voluntary; and 2) tuition and fees are paid for a service that is being received. A tax is involuntary and paid whether a service is directly received or not. Chancellor Klaich replied that although he may not be able to reach every student, he would do his best to gain that broader information.

Regent Geddes emphasized that he did realize that the students and their families do not live in a bubble and are all taxpayers.

The meeting recessed at 11:53 a.m. and reconvened at 12:26 p.m. on March 5, 2010, with all members present except for Regents Alden and Rawson.

17. Information Only- Procedures & Guidelines Manual Revision, 2011-13 Tuition & Fees, William S. Boyd School of Law, UNLV (Agenda Item #16) – The Board of Regents heard a request from UNLV President Neal J. Smatresk for the proposed tuition and fee structure for the 2011-13 biennia for the William S. Boyd School of Law. Final action on the proposed tuition and fees is scheduled to occur at the April 2010 meeting of the Board (*Ref. BOR-16 on file in the Board office*).

Dr. John White, Dean of the Williams S. Boyd School of Law, UNLV, related that the School is proposing a minimal increase in line with the more modest one approved by the Board two years ago. The goal for that increase had been to ensure that they were in the mid-line of charged tuition and then to dedicate more funding to faculty, staff and the building of resources. Due to the economic downturn that later goal was not reached. However, it is obvious that the budget situation will remain uncertain in the next biennium and this proposal has a savings element built into it.

Regent Rawson entered the meeting.

Dean White related that his intention from the beginning was to move from a reactive tuition policy to one that continued with modest increases. No additional increases are being requested for the first year of the next biennium as tuition was already increasing from \$18,000 to \$20,000. The School planned to hold it at \$20,000, barring any drastic action by the Legislature. Thereafter, future tuition increases would be between 3% and 5%.

Regent Crear stated that an impetus for the Board's approval of the last increase was to provide more scholarships to students. He asked if there was any data to show if that was effective. Dean White indicated that due to the financial situation, the School has been more cautious in implementing new programs over the last year. However, just that week a new program for public service fellowships was launched. That program will target people that had careers in public service before coming to law school and will presumably have an interest in doing so after. It was anticipated, when fully implemented, to have approximately ten students over the typical three year period. Dean White related that the School has increased its overall scholarship spending by approximately 15% of their total scholarship spending.

Regent Rawson recognized that the Law School was another program that provides pro-bono service to the community and appreciated that such service was being taught in the program.

Chairman Leavitt noted that this item would be brought back to the Board for a second reading.

18. Information Only - Procedures & Guidelines Manual Revision, 2011-13 Tuition & Fees, School of Dental Medicine, UNLV (Agenda Item #17) – The Board of Regents heard a request from UNLV President Neal J. Smatresk and Dr. Karen West, Dean of the UNLV School of Dental Medicine, for a proposed increase to the tuition and fee structure for the 2011-13 biennia for the School of Dental Medicine (*Ref. BOR-17 on file in the Board office*).

18. Information Only - Procedures & Guidelines Manual Revision, 2011-13 Tuition & Fees, School of Dental Medicine, UNLV (Agenda Item #17) – (Cont'd.)

Dean West reported that the proposal is for a two year, total 13.1% increase to go into effect when the current 10% surcharge sunsets. However, if the 10% surcharge is maintained, the School of Dental Medicine would recommend an additional 3% increase instead of the proposed 13.1% increase.

Regent Geddes expressed concern that the surcharge generates \$1,500, while the proposed increase would only generate \$1,000. Dr. West replied that would be true for the first year, but not the second year.

Regent Geddes commented that although the System is experiencing budget cuts, the Dental School is proposing lower tuition and fees. Dean West replied that ironically the surcharge was implemented before the seriousness of the budget situation came to light. She did not want to price the students out of the market. Currently the School is in the middle of tuition rates and she did not want to be at the high end of public entities at this time.

Regent Geddes reiterated that the result of the proposed fee would be less than what was expected and he did not feel that anyone felt tuition and fees are supposed to be going down. Dean West replied that at the time the surcharge was created, it was anticipated that the surcharge would sunset in 2011 and that they would not need a further increase to meet the budget deficit.

Regent Rawson stated that many students entered the program with a given tuition, which also was the highest tuition of any other program, and then they voluntarily agreed to an increase. Essentially that is the increase that is being discussed. Dean West stated that was correct, adding that due to the higher tuition, it was becoming more difficult for those students to obtain financial assistance. Each in-state student pays \$8,250 per trimester and there were 11 trimesters in the program, which resulted in a total tuition of approximately \$90,000.

Regent Blakely asked if, given those numbers, would there be an impact on future enrollment and sustainability of the program. Dean West replied that in the last cycle there were 2,300 applicants for 75 spots. Of those, the program will accept 2/3 from in-state and from 1/3 from out-of-state.

Regent Crear expressed deep concern for the number and amount of tuition and fee increases that the Dental School has requested over a short amount of time. He asked how the many fee increases work into the current budget scenario and what would happen when budget discussions start for the next biennium. President Smatresk explained that last year the School requested a \$1,500 surcharge for in-state students (\$3,000 for non-resident students) which bundled all of the fixed costs such as books, clinical supplies and so forth. That surcharge was passed by the Board. Now Dean West is proposing a permanent tuition increase to replace the surcharge (*sunsets in 2011*) that will gain the amount of the surcharge back in a two step process. The first step would

18. Information Only - Procedures & Guidelines Manual Revision, 2011-13 Tuition & Fees, School of Dental Medicine, UNLV (Agenda Item #17) – (Cont'd.)

eliminate the \$1,500 surcharge and replace it with a \$1,000 tuition increase. In the following year, there would be another \$1,000 increase. By that second year, the total tuition will have actually increased by \$500, and the surcharge will have been eliminated.

Regent Page asked that the record reflect that the UNLV School of Dental Medicine also provided a significant amount of pro-bono services for the community.

Regent Cobb felt that the tuitions for the professional schools were incredibly low throughout the System and felt there may need to be a discussion on the total cost of the schools and how they could be more in line with other schools. He stated that he is a champion of the professional schools. However, when the School of Dental Medicine came before the Board one year ago for an increase, he was told that the program did not cost the System any money.

Dean West related that the UNLV School of Dental Medicine is a relatively young school that has not had the history yet to develop the revenue resources that many of their peers have developed over the last 50 years of existence. An ADA Survey reflected the young of the school its percentage of money that is paid for a dental student's education at UNLV. UNLV's School of Dental Medicine is currently at 27%, the national average is 24%. However, she felt that it was interesting that the national average for educating a dental student for one year is \$95,000 per student/per year. The UNLV School of Dental Medicine is currently at \$65,000. The School has gone down from 48th out of 56th, either because the School is being very efficient or because it has cut back significantly. Compared to other schools, the School is still doing much with less.

Regent Geddes noted that with 2,300 applicants for 75 spots, it was clear that the School has not priced itself out of the market. With the salaries that the professional students will eventually be earning, he could not support lowering the fee. Dean West understood, adding that she had probably been too optimistic about the economy in developing the request for the surcharge. Regent Geddes stated that, more importantly, he did not want to tie tuition and fees to the economy. In general, the tuition and fees needed to be more in line with the rest of the country for long term planning.

Chairman Leavitt noted that this request required two readings of the Board. He strongly suggested that Dean West reconsider the proposed policy and present it again at the special meeting in April. Dean West stated that she would take the Board's suggestion back to the students and would discuss it with the admissions department as well.

19. Approved - Procedures & Guidelines Manual Revision, Part-Time Tuition & Fees, School of Dental Medicine, UNLV (Agenda Item #18) - The Board of Regents heard a request from UNLV President Neal J. Smatresk and Dr. Karen P. West, Dean of the UNLV School of Medicine, for a proposal to establish part-time tuition and fees for the UNLV School of Dental Medicine. This request is separate from the biennial review of tuition and fees (*Ref. BOR-18 on file in the Board office*).

Dean West related that the School has approximately ten to fifteen dental students that do not complete the program in order to graduate on time. The current structure requires the student to pay for a full trimester (\$8,250), even if the student will only be attending for two weeks. The proposed part-time tuition and fee policy will allow the School to break tuition down by credit hour.

Regent Knecht moved approval of revision to *Procedures & Guidelines Manual (Chapter 7, Section 4)* to establish part-time tuition and fees for the UNLV School of Dental Medicine. Regent Geddes seconded. Motion carried. Regent Alden was absent.

20. Information Only - Procedures & Guidelines Manual Revision, 2011-13, Tuition & Fees, University of Nevada School of Medicine, UNR (Agenda Item #19) – The Board of Regents heard for information purposes, a request from UNR President Milton D. Glick for the proposed tuition and fee structure for the 2011-13 biennia for the University of Nevada School of Medicine (*UNSOM*). This request reflected a *UNSOM* resident tuition and fees increase of 5% per year for each year of the 2011-13 biennium and a *UNSOM* non-resident tuition and fees increase of 10% per year for each year of the 2011-13 biennium and included a proposed distribution of fees and tuition (*Chapter 7, Section 14*). Final action on the proposed tuition and fees is scheduled to occur at the April 2010 special meeting of the Board (*Ref. BOR-19 on file in the Board office*).
21. Approved - Handbook Revision, Removal of 9% Cap on Tuition and Fee Increases for Resident (In-State) Students, UNSOM (Agenda Item #20) - UNR President Milton D. Glick requests that the Board of Regents approve a change to Title 4, Chapter 17, Section 1.6 of the *Handbook*, Tuition and Fees University of Nevada School of Medicine, which removes the 9% cap on tuition and fee increases for resident (*in-state*) students (*Ref. BOR-20 on file in the Board office*).

President Glick stated that the *UNSOM* is a very good, but very small medical school. It provides approximately \$11 million of uncompensated care to the state. They had received a recommendation from the medical students and leadership for an increase of 5% in resident tuition for each of the next two years. When he reviewed that request, he found that the *UNSOM* is currently approximately 30% below the market among the western universities. He did not feel that increase was enough and should be higher. He did recognize that the medical students currently graduate with approximately \$108,000 in debt. However, to his surprise, he discovered that this Board

21. Approved - Handbook Revision, Removal of 9% Cap on Tuition and Fee Increases for Resident (In-State) Students, UNSOM (Agenda Item #20) – (Cont'd.)

has a policy that the medical school cannot increase tuition more than 9% in a year. He has not been able to determine the origin of that policy.

Rather than present a revised recommendation, he asked the Chancellor to allow him to present a recommendation to remove that constraint. If approved, the UNSOM will return to the Board with a recommendation for tuition.

Regent Geddes moved approval of revision to Title 4, Chapter 17, Section 1.6 of the *Handbook*, Tuition and Fees University of Nevada School of Medicine that will remove the 9% cap on tuition and fee increases for resident (*in-state*) students. Regent Page seconded.

Regent Crear asked if this was a UNSOM policy or a Board policy. President Glick clarified that it was a Board policy.

Mr. Wasserman clarified action was only being requested for the Handbook revision to remove the 9% cap. No action could be taken that day on the UNSOM tuition and fees as that did require two readings. However, if the Board approved the removal of the 9% cap, the UNSOM would present a revised recommendation for tuition and fees at the June Board meeting.

Chairman Leavitt asked if there was a record of or documentation as to why this policy was created. Chancellor Klaich stated that they were unable to find the origin of the policy. Regent Gallagher indicated that she was also not aware of such a policy or why it would have been implemented.

Mr. Wasserman stated that since the request for removal of the 9% cap was not a Code change, action could be taken that day.

Motion carried. Regent Alden was absent.

22. Approved - Procedures & Guidelines Manual Revision, Summer Term Salary Schedules (Agenda Item #21) – The Board of Regents approved the request of Vice Chancellor Bart Patterson for the summer term salary schedules for 2010 (PGM Chapter 3, Section 5) as submitted by each institution. Salary schedules remain the same for all institutions except Great Basin College (Ref. BOR-21 on file in the Board office).

Regent Wixom noted that the reference material erroneously indicates Summer 2009, instead of Summer of 2010, and requested that the record reflect that this item and its reference material was for the Summer of 2010.

Vice Chancellor Patterson related that the proposed schedules remain the same for all institutions except for GBC, which was moving its schedule to match that of WNC's.

22. Approved - Procedures & Guidelines Manual Revision, Summer Term Salary Schedules (Agenda Item #21) – (Cont'd.)

GBC Vice President McFarlane added that the rate is not being changed, the change was in the form of an adjustment to the amount going to the instructors per students.

Regent Wixom asked why there is a differential between what is charged at UNLV and UNR. Vice Chancellor Patterson asked that he be allowed to prepare a response to be presented to the Board at the June meeting.

Regent Page moved approval of the 2010 Summer Term Salary Schedules as presented. Regent Anderson seconded.

Regent Wixom requested a friendly amendment to correct the reference material to reflect the 2010 year. Regents Page and Anderson accepted the friendly amendment.

Motion carried. Regent Alden was absent.

23. Withdrawn - Faculty Hire Above Salary Schedule With Tenure Upon Hire, UNSOM (Agenda item #22) – This agenda item was withdrawn.

24. Approved - Faculty Hire Above Salary, Schedule, UNSOM (Agenda Item #23) – The Board of Regents approved the request of UNR President Milton D. Glick for the employment above salary schedule for Yagya Kapila, M.D., FACG, for the position of Full Professor, Gastroenterology, Department of Internal Medicine, Las Vegas, UNSOM, effective May 1, 2010, at a salary of \$425,000 which exceeds the established maximum salary of \$278,330. Dr. Kapila's salary will be derived from a combination of non-state funds: (a) hospital contract revenue for patient care services; and (b) clinical revenues (Ref. BOR-23 on file in the Board office).

President Glick related that the University Medical Center (UMC) has agreed to pay 88% of Dr. Kapila's salary, with the remaining 12% to be paid from patient-generated income. Dr. Kapila's employment contract (included with reference material) makes it clear that Dr. Kapila must earn that patient income or he will not receive payment. UMC has committed to this payment agreement for the period of one year. If UMC drops out, Dr. Kapila will receive a 30-day notice that his position will be eliminated.

President Glick stated that the only risk to the university is payment of 30-days of the 12% portion of his salary in the event that UMC drops out. President Glick added that the university felt that this position will add value to the Las Vegas community and the university.

24. Approved - Faculty Hire Above Salary, Schedule, UNSOM (Agenda Item #23) – (Cont'd.)

Regent Crear asked how the hires above salary that are based upon generation of revenue, are reconciled and if that information is audited. He asked how the institutions or System knows the revenue being generated is in fact covering the salary costs.

Chairman Leavitt reiterated that the portion of the salary that is to be paid through patient revenue will not be paid if the doctor does not meet those minimum revenue requirements. On a broader level, Chairman Leavitt indicated that Regent Crear's question was more difficult to answer.

President Glick indicated that in this specific case, if Dr. Kapila's contract were to be dropped by UMC that would end the discussion. To answer the broader question of how determination is made that the doctors employed under these types of agreements are generating sufficient income to cover their salaries, President Glick indicated that the UNSOM recently implemented a profit and loss statement policy as well as other controls that will ensure that the margins are held. The Board could request those annual reports as part of the practice plan.

Regent Crear stated that he would like to know that these employment agreements are effective.

Chairman Leavitt asked Mr. Wasserman to share this discussion with Regent Alden, as Chair of the Audit Committee, and to ask that Committee to consider addressing these questions and determine what information should be reported to the full Board. Regents Cobb and Blakely concurred.

President Glick stated that Regent Crear had made a very good point. He related that he would be more comfortable stating to the Board that those profit and loss statements will be generated going forward.

Chancellor Klaich felt that the direction from the Board should be for Ms. Jean Regan, Chief Financial Officer, UNSOM, to prepare that report for submittal to the Audit Committee so that material was available for that Committee's discussion.

Regent Geddes suggested that Chancellor Klaich and Vice Chancellor Patterson take a look at these types of contracts. He stated that he had a philosophical issue with these items coming to the Board.

Regent Blakely felt that an alternative to this hire would be to seek a more junior physician that was within the compensation package. President Glick replied that Dr. Kapila was the best endoscopist that could possibly be hired. He added that when hiring physicians, it was important to hire those physicians that can do the job.

Ms. Regan related that the UNSOM has tried to recruit this position for numerous years without success. There were not an overwhelming amount of qualified candidates that came forward.

24. Approved - Faculty Hire Above Salary, Schedule, UNSOM (Agenda Item #23) – (Cont'd.)

Regent Blakely asked why a highly qualified physician should be hired if there were competent physicians available within the salary range. Dr. Ole Theinhaus, Dean, UNSOM, replied that the faculty at this level is expected to do a larger amount of clinical on-site work, far beyond what is considered normal. Dr. Kapila would be “breaking the ice” in the hospital by providing 30 hours of patient care right at the start. The relevant comparison figure is not AAMC data, but rather AMGA data, a data set that compares practicing gastroenterologists around the country and in the local region, which reflects an average compensation for gastroenterologists in excess of \$400,000. Dr. Kapila also comes as an advanced practitioner that has run a GI program in another state and it is expected that he will recruit younger physicians, right out of fellowship that will be within the salary range. Dr. Theinhaus related that physicians that are right out of fellowship will not be able to develop an academic career. It is important to align that younger physician with an existing practitioner.

Regent Wixom asked what form of agreement was held between the UNSOM and UMC. Dr. Theinhaus related that there was a written agreement. President Glick added that this contract would not have been brought forward without that written agreement.

Regent Wixom related that in terms of Regent Geddes concerns, he felt that when determining if a contract should come before the Board, it was important to differentiate between contracts that are not funded with System money from those that are.

Regent Page related that during the last meeting of the Audit Committee, the Committee did discuss these concerns with the UNSOM. He also felt that it was important to hire the best physicians possible and to pay them the highest possible salary and then require them to earn that salary.

Regent Anderson echoed Regent Page’s comment, adding that in order to have a top notch medical school it was important to have the best possible physicians. She added that the Audit Committee had spent a great deal of time discussing the medical practices. She felt that the accounting in the future would be much more efficient from this point forward.

Regent Schofield related that he had been uncomfortable with these types of requests until he heard that these individuals would be held accountable. He felt that it sent a mixed message to the students when the Board continues to increase student fees and then hires these positions above the salary schedule

Regent Page moved approval for the employment above salary schedule for Yagya Kapila, M.D., FACP, for the position of Full Professor, Gastroenterology, Department of Internal Medicine, Las Vegas, UNSOM, effective May 1, 2010, at a salary of \$425,000, and that the UNSOM prepare a profit and loss report for discussion at the next Audit Committee and that the Audit Committee determine what information should be reported to the full Board. Regent Blakely seconded. Motion carried. Regent Alden was absent.

Agenda items #24 (*Tenure Upon Hire, UNLV*) and #25 (*Tenure Upon Hire, UNLV*) were approved concurrently.

25. Approved - Tenure upon Hire, UNLV (Agenda Item #24) – The Board of Regents approved the request of UNLV President Neal J. Smatresk for the tenure upon hire for Dr. Stacey Tovino, effective July 1, 2010, at the William S. Boyd School of Law. This request for approval of tenure upon hire was submitted pursuant to Board of Regents policy which specifies that Board approval is necessary in circumstances where the appointee has not been previously tenured at another institution (*Ref. BOR-24 on file in the Board office*).

26. Approved - Tenure upon Hire, UNLV (Agenda Item #25) – The Board of Regents approved the request of UNLV President Neal J. Smatresk for tenure upon hire for Laurel Raftery, Ph.D., effective August 1, 2010, in the School of Life Sciences. This request for approval of tenure upon hire was submitted pursuant to Board of Regents policy which specifies that Board approval is necessary in circumstances where the appointee has not been previously tenured at another institution (*Ref. BOR-25 on file in the Board office*).

Regent Cobb moved approval of the tenure upon hire of Dr. Stacey Tovino, effective July 1, 2010, at the William S. Boyd School of Law (*Agenda Item #24*) and Laurel Raftery, Ph.D., effective August 1, 2010, in the School of Life Sciences (*Agenda Item #25*). Regent Gallagher seconded. Motion carried. Regent Alden was absent.

27. Approved - Board Meeting Dates - Calendar Year 2011 (Agenda Item #26) - The Board of Regents approved the meeting dates and venues for the Board of Regents' meetings to be held in calendar year 2011 as proposed.

- March 10-11, 2011 WNC
- June 16-17, 2011 UNR
- September 8-9, 2011 DRI, Las Vegas
- December 1-2, 2011 UNLV

Tentative special meeting date if necessary: May 6, 2011.

Tentative special meeting date if necessary: May 27, 2011.

Tentative special meeting date if necessary: July 29, 2011.

Regent Page moved approval of the Board Meeting Dates for Calendar Year 2011 as proposed. Regent Schofield seconded. Motion carried. Regent Alden was absent.

28. Approved - Audit Committee (Agenda Item #27) – Committee Vice Chair Kevin J. Page reported that the Audit Committee met on March 4, 2010, and received follow-up responses for eight internal audit reports that were presented to the Audit Committee at the Committee’s September 2009 meeting.

The Committee requested that the University of Nevada School of Medicine Practice Plan provide an update on their finances and reorganization plans at the Committee’s June meeting.

Action items:

Board action was requested to approve the following recommendations of the Audit Committee.

- Minutes – The Committee recommended approval of the minutes from the December 3, 2009 meeting.
- Communications with those Charged with Governance, NSHE – The Committee recommended approval of a report on communications related to the consolidated audited of the System from Grant Thornton, LLP for the year ended June 30, 2009.
- Financial Statements, NSHE – The Committee recommended approval of a report from Grant Thornton LLP for the year ended June 30, 2009.
- OMB Circular A-133 Report, NSHE - The Committee recommended approval of a report from Grant Thornton LLP for the year ended June 30, 2009.
- Communications with those Charged with Governance, UNSOM - The Committee recommended approval of a report on communications related to the audit of the School of Medicine from Grant Thornton, LLP for the year ended June 30, 2009.
- Financial Statements, UNSOM – The Committee recommended approval of a report from Grant Thornton LLP for the year ended June 30, 2009.
- Management Letter, UNSOM – The Committee recommended approval of a report from Grant Thornton LLP for the year ended June 30, 2009.
- Internal Audit Reports – The Committee recommended approval of the following internal audit reports:
 - ✓ Public Lands Institute, UNLV
 - ✓ Travel - Accounts Payable, UNLV
 - ✓ Computer Network Security Audit, CSN
 - ✓ Admissions and Records Department, GBC
- Audit Exception Report – The Committee recommended approval of a report of the audit findings of the Committee for the six months ended December 31, 2009.
- Foundation Audit Exemption, GBC - The Committee recommended approval of a request from the GBC Foundation for an exemption from the audit requirements stated in the Board of Regents *Handbook (Title 4, Chapter 10, Section 9, B1)*.

Regent Page moved acceptance of the report and approval of committee recommendations. Regent Schofield seconded. Motion carried. Regent Alden was absent.

29. Approved - Investment & Facilities Committee (Agenda Item #28) - Chair Michael B. Wixom reported that the Investment & Facilities Committee met on March 4, 2010, and heard the following:
- Dr. Mike Reed, Vice Chancellor of Finance, and System Office staff reported on the activities and the most current balance of the reserve account of the operating pool fund. In particular, the Committee's discussion focused on the amount held in the reserve account of the operating pool fund.
 - Scott Nash from Johnson Consulting Group presented information related to bond refinancing and refunding options.
 - Ronald Zurek, on behalf of Dr Milton D. Glick, President, UNR, presented a progress report on the Fire Science Academy as directed by the Board of Regents at the August 7-8, 2008, meeting.
 - Vice Chancellor Reed advised the Committee of the issuance of the initial Real Property Report of NSC, and updates to the Real Property Reports of UNLV, UNR and CSN

Action Items:

Board action was requested to approve the following recommendations of the Investment and Facilities Committee.

- The Committee recommended approval of the minutes from the December 3, 2009, meeting.
- Cambridge Associates presented a report on asset allocation and investment returns for the pooled endowment and pooled operating funds for the period ended December 31, 2009. Based on Cambridge Associates' presentation, the Committee recommended approval of a 50-50 allocation of the funds in the Commonfund Treasury Access portfolio, between the State Street Institutional Government Money Market fund and JP Morgan Prime Money Market fund.
- The Committee recommended approval of the University of Nevada, Reno's request to pay the required abrogation fee of \$118,830 to the United States of America, thereby obtaining full, unrestricted title to 7.76 acres in Stead, Nevada.
- The Committee recommended approval of the University of Nevada, Reno's purchase of the real property located at 4955 Energy Way in Reno, Nevada for use by Cooperative Extension.
- The Committee recommended approval of CSN's request to grant an easement to the City of Las Vegas in order to construct, at the City's expense, a dedicated right turn lane at the intersection of Torrey Pines Drive and Oakley Boulevard.
- The Committee recommended approval of CSN's request to submit a long term lease application to the Bureau of Land Management for the Northwest Campus property. The application will be processed simultaneously while Congress considers action on S.940, which proposes to award a land patent for the property to CSN.

29. Approved - Investment & Facilities Committee (Agenda Item #28) – (Cont'd.)

- The Committee recommended approval of the quarterly report of the activities of the Space Study Working Group tasked with developing a recommendation for space utilization and inventory metrics. In particular, the Committee concurred with the Working Group's recommendation to simplify the utilization metrics by seeking to report the number of hours per week rooms are used and how full the rooms are when in use. In addition, the Committee advised the Space Study Working Group to include the times of day the rooms are used and the days of the week in which the rooms are used.
- The Committee recommended approval the status report concerning the recommendation for a two-phased approach to implement Life-cycle cost analyses for new buildings requested during the biennial capital budget cycle. Specifically, the committee concurred with the institutional recommendations to pursue the following methodology: First, to seek concurrence from the State Public Works Board, to update its existing Project Cost Estimating System in order to provide baseline life cycle cost analysis during the pre-award stage of the new building request. Second, to instruct the institutions to work with the System Office to secure a third-party solution for consideration by the Board to obtain the detailed life cycle cost analysis during the post-planning stage of the new building which will be effective beginning with the 2013 capital budget cycle.

Regent Wixom moved acceptance of the report and approval of committee recommendations. Regent Gallagher seconded. Motion carried. Regent Page abstained. Regent Alden was absent.

30. Approved - Academic, Research & Student Affairs Committee (Agenda Item #29) - Chair William G. Cobb reported that the Academic, Research & Student Affairs Committee met on March 4, 2010, and heard the following:

Dr. Stuart Mann, Dean of the UNLV College of Hotel Administration presented a report on the successes of the Hotel Administration program at the UNLV Singapore Campus. The presentation included information on the Executive Master's in Hotel Administration that will be offered on the campus of the Institute of Tourism Studies, Macau, an extension of the Singapore program.

Vice Chancellor Jane Nichols presented a report on transfer and articulation policies and practices, which included data on transfer rates and the success of transfer students, and updates from NSHE institutions. In addition, a summary report on science and engineering degrees recently awarded was presented, which included information on secondary education degrees awarded to individuals with licensure in science and engineering fields.

Action items

Board action was requested to approve the following recommendations of the Academic, Research and Student Affairs Committee.

30. Approved - Academic, Research & Student Affairs Committee (Agenda Item #29) – (Cont'd.)

- The Committee recommended approval of the minutes from the December 3, 2009, meeting;
- The Committee recommended approval of a unit change of the Department of Health Promotion to a Program in Health Promotion within the School of Community Health Sciences at UNLV;
- The Committee recommended approval of the elimination of the Associate of Applied Science in Paralegal Studies and the Associate of Applied Science in Health Information Technology at WNC;
- The Committee recommended approval of the elimination of the Associate of Arts in Elementary Education and the Associate of Arts in Secondary Education at TMCC;
- The Committee recommended approval of a revision to TMCC's Academic Master Plan to include an Associate of Applied Science for a Civil Engineering Practitioner;
- The Committee recommended approval of a new program, Associate of Applied Science for a Civil Engineering Practitioner at TMCC; and
- The Committee recommended approval of the candidates for the following Regents' awards:
 - ✓ Ms. Claudia Keelan of UNLV for Regents' Creative Activity Award;
 - ✓ Dr. Ursula Carlson of WNC for the Regents' Teaching Award-Community College;
 - ✓ Dr. David Ake of UNR for Regents' Teaching Award-University, State College and DRI;
 - ✓ Ms. Janet Reiber of UNLV (*Undergraduate*), Ms. Jamie Anderson, UNR (*Graduate*), and Ms. Cyndi Jakus of TMCC for the Regents' Academic Advisor Awards;
 - ✓ Dr. Manoranjan Misra of UNR for the Regents' Researcher Award; and
 - ✓ Dr. Brian Hedlund of UNLV, Dr. Jonathan Baker of UNR, and Dr. Daniel Obrist of DRI for the Regents' Rising Researcher Awards.

Regent Cobb moved acceptance of the report and approval of committee recommendations. Regent Blakely seconded. Motion carried. Regent Alden was absent.

31. Approved - Business & Finance Committee (Agenda Item #30) - Chair Raymond D. Rawson reported that the Business & Finance Committee met on March 4, 2010, and heard the following:

- Calendar year 2009 Self-Supporting Summer School and Calendar Year Budgets, Budget to Actual Comparisons, for each university and college of the NSHE.

31 Approved - Business & Finance Committee (Agenda Item #30) – (Cont'd.)

- All Funds revenues and expenses of the NSHE for the second quarter of fiscal year 2009-2010.
- NSHE Fiscal Exceptions of self-supporting budgets and the status of state appropriations for the second quarter of fiscal year 2009-2010.
- Budget transfers of state appropriated funds between functions for the second quarter of fiscal year 2009-2010.
- The Committee discussed progress towards development of a set of budget (including formula funding) and performance metrics and efficiency, effectiveness and accountability principles and measures. There has been no further progress made due to recent activities concerning budget reductions affecting the NSHE State Operation Budget.

Action items:

Board action was requested to approve the following recommendations of the Business and Finance Committee:

- The Committee recommended approval of the minutes from the December 3, 2009, Business & Finance Committee meeting.
- The Committee recommended approval of the NSHE Mid-Year fiscal year 2009-2010 Self-Supporting Budgets and the Summer School and Calendar Year Self-Supporting Budgets for calendar year 2010.

Regent Rawson moved acceptance of the report and approval of committee recommendations.
Regent Crear seconded. Motion carried. Regent Alden was absent.

32. Approved - Cultural Diversity Committee (Agenda Item #31) - Chair Cedric Crear reported that the Cultural Diversity Committee met on March 5, 2010, and heard the following:

Mr. Clifton Miller of Cemetrics presented a report on current purchasing practices across the NSHE, including practices related to procuring products and services from minority, women and disadvantaged business enterprises. Among his recommendations, he urged the Board to adopt policies for the establishment of a robust tracking and reporting system for purchasing, including a process for third-party verification. The Committee agreed that this initiative should be a priority with an accelerated timeline for completion. Vice Chancellor Bart Patterson will bring back a formalized plan with recommendations at the June 2010 meeting.

32. Approved - Cultural Diversity Committee (Agenda Item #31) – (Cont'd.)

Institutional representatives from CSN and NSC presented reports on their respective initiatives to promote student success, especially efforts to improve recruitment, retention, and graduation of students from diverse backgrounds.

In response to information provided to the Committee in September 2009 on faculty diversity, TMCC President Maria Sheehan and Scott Huber, TMCC Faculty Senate Chair, reported on the progress being made in establishing plans to improve faculty diversity through tenure and promotion. Final plans will be presented to the Committee for consideration at the September 2010 meeting. Finally, Mr. Larry P. Mason, Co-chair, NSHE Equity, Diversity and Inclusion Council, reported on the recent work of the Council, including the desire to establish an “equity score card” for use by NSHE institutions.

Action items:

Board action was requested to approve the following recommendations of the Cultural Diversity Committee:

- The Committee recommended approval of the minutes of the December 4, 2009, meeting of the Cultural Diversity Committee.
- In addition, the Committee recommended approval of the Cemetrics report on purchasing practices and that a formal plan for supply chain inclusion practices be brought forward for consideration at the June 2010 meeting.

Regent Crear moved acceptance of the report and approval of committee recommendations. Regent Gallagher seconded. Motion carried. Regent Alden was absent.

33. Approved - Health Sciences System Committee (Agenda Item 32) - Chair Dorothy S. Gallagher reported that the Health Sciences System Committee met on March 5, 2010, and heard the following:

- The Committee was provided with an overview from Jim Rogers, regarding the efforts to investigate the possibility of developing a stronger relationship with the University Medical Center of Southern Nevada (UMC). He noted that UMC has many first-class programs. He mentioned that he has talked to many stakeholders who have been very supportive of this effort. He suggested that an interim board of experts should be appointed to govern UMC. He noted that he has assembled a working group of stakeholders from NSHE, NVC I and Clark County to help him gather information for this analysis. He mentioned that this effort presents a great opportunity for both NSHE and UMC. Regent Gallagher mentioned that this effort has tremendous possibility if we focus on the big picture. Regent Rawson concurred that this effort presents great potential. Regent Cobb noted that this effort had the potential of developing a medical destination. Regent Wixom asked about the level of indigent care, and how developing an academic health

33. Approved - Health Sciences System Committee (Agenda Item 32) – (Cont'd.)

- center would help address this need. Mr. Rogers explained that by attracting more paying patients, based on the advanced services an academic health center could provide, any excess revenues generated, could help to offset the cost of uncompensated care. Executive Vice Chancellor Trevisan explained that there is a plan to conduct two studies: one of the UMC operations and the other to analyze the potential opportunities for developing a stronger partnership between UMC and NSHE. Regent Wixom requested that an investigation of potential bonding opportunities be included in the study. Regent Knecht requested that the potential challenges associated with accountability be addressed in the analysis of alternative governance structures.
- The Committee was provided with an overview by Vice Chancellor Turner of the Shadow Lane Campus Master Planning process completed at the end of the last fiscal year. This effort involved stakeholders from health sciences programs at UNLV, NSC, CSN and UNSOM. This study included both a programmatic needs assessment, as well as a physical plant expansion assessment. The study revealed that an additional 400,000 square feet of space could comfortably be built on this campus. As alternative building scenarios for the Campus build-out were developed, the planning team also developed related construction phasing plans. Vice Chancellor Turner stated that this Master Planning process was done at a high level, but that it could serve as a basis for further analysis of Campus development. Regent Gallagher congratulated the stakeholders on their efforts to be forward thinking in conducting this planning effort.
- The Committee members were given an overview by Dr. Castro, Dean of the health sciences programs at College of Southern Nevada (CSN). This briefing included an update on the CSN health sciences programs and facilities. Dr. Castro informed the Committee that CSN has 14 degree programs, certificate programs, and has 84 full-time and 115 part-time faculty members. Dr. Castro provided specific statistics relating to program completion rates. She explained that all of CSN's degree programs are nationally accredited, as are some of its certificate programs. She noted that they have over 200 affiliation agreements with partners in the community, and that they have provided an estimated 1.5 million hours of uncompensated services, with an approximate value of \$24 million dollars. She also gave details on the success they have had in generating extramural funding that their programs have received. Regent Wixom inquired about CSN's work to investigate the need for a cardio-respiratory bachelors program, and Dr. Castro explained that this study is being done at the request of the Englestad Foundation. Executive Vice Chancellor Trevisan congratulated CSN for their fine health sciences programs, their tremendous community service levels and their creativity and productivity in generating extramural funding. Regent Rawson pointed out how proud he was of the many opportunities at CSN for promoting professional development for our students and development of much-needed health professionals for our community. A student of one of CSN's occupational health program provided public comment in support of this program.

33. Approved - Health Sciences System Committee (Agenda Item 32) – (Cont'd.)

- Executive Vice Chancellor Trevisan distributed a report summarizing the number of nursing graduates from the NSHE programs, with a total of 725 graduates in the 2007/08 school year. He also noted that the average passing rate of NSHE nursing students taking their nursing boards is 90.6%, while the national average is 88%. We should be proud of our nursing programs and of the success of our graduates.
- During the Roundtable Discussion, the Chair asked Executive Vice Chancellor Trevisan to provide an overview of the report that was developed at the request of Regent Cobb and recently distributed to the Regents, summarizing the level of direct and indirect clinical support of our health sciences programs provided to our community. Regent Cobb requested that this information be widely distributed and promoted by the NSHE and institution communications representatives.
- Chairperson Gallagher provided her Chair's report. She noted that while we are facing tough times, we will come out of this difficult economic time. She stated that she thought NHSE and the institutions should keep their eyes focused ahead so we are ready to hit the ground running when we do come out of this difficult economic time. She acknowledged that it was not going to be easy, but that it was important to keep planning for the future.

Action item:

Board action was requested to approve the following recommendation of the Health Sciences System Committee:

- The Committee recommended approval of the minutes of the December 4, 2009, meeting.

Regent Gallagher moved acceptance of the report and approval of committee recommendation.
Regent Knecht seconded. Motion carried. Regent Alden was absent.

34. Information Only - New Business (Agenda Item #33) – None.

The meeting adjourned at 2:55 p.m.

Prepared by: Jessica C. Morris
Administrative Assistant IV

Submitted for approval by: Scott G. Wasserman
Chief Executive Officer of the Board of Regents

Approved by the Board of Regents at the March 4-5, 2010, meeting.